



COMMONWEALTH of VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

600 East Broad Street, Suite 1300

Richmond, VA 23219

May 7, 2018

Dear Prospective Vendor:

The Department of Medical Assistance Services (DMAS) is soliciting proposals from experienced, qualified organizations to perform fiscal agent services for Consumer-Directed Services as a Vendor Fiscal/Employer Agent. Specific details about this procurement are in the enclosed Request for Proposal (RFP) 2018-07.

Offerors must check the eVA VBO at <http://www.eva.virginia.gov> for all official postings of addendums or notices regarding this RFP. While DMAS also intends to post such notices on the DMAS website at http://www.dmas.virginia.gov/Content_pgs/rfp.aspx, eVA is the official and controlling posting site. The Commonwealth will not pay any costs that any Contractor incurs in preparing a proposal. As provided in the Virginia Public Procurement Act, the Department may reject any and all proposals received or cancel this RFP.

Potential Offerors are requested not to call this office. All issues and questions related to this RFP should be submitted by email in MS Word format to the attention of Nicole Scott, Contract Supervisor, Division of Long-Term Care via RFP2018-07@dmas.virginia.gov. All questions must be received by 10:00 AM Eastern Time on May 21, 2018. Responses to questions will be posted in a RFP addendum on the eVA and DMAS websites.

Offerors who wish to submit a proposal are required to submit a Letter of Intent (LOI) which must be received by the Department no later than 10:00 AM eastern time on May 21, 2018. The LOI must be on the Offeror's letterhead and document their intent to submit a proposal in response to the RFP. The prior submission of a Letter of Intent shall be a prerequisite for submitting a proposal; proposals shall not be accepted from Offerors who have not submitted a Letter of Intent by the deadline specified above. Letters of Intent may be e-mailed to the address listed above with original hard copy to follow via USPS, overnight delivery or courier service. All Letters of Intent shall be addressed to:

Department of Medical Assistance Services
Attention: Whitney Speece
600 East Broad Street, Suite 1300
Richmond, VA 23219

Sincerely,
Whitney Speece
Whitney Speece
Sr. Procurement Officer

Enclosures

REQUEST FOR PROPOSALS

RFP 2018-07

Issue Date: May 07, 2018

Title: Vendor Fiscal/ Employer Agent for Consumer Directed Services

Contract Period: An initial period of three (3) years from date of award, with provisions for three (3) twelve-month extensions.

Commodity Codes: 94610- Accounting and Billing Services

All inquiries should be directed in writing via email in MS Word Format to:

RFP2018-07@dmas.virginia.gov

Nicole Scott, Contract Supervisor
Waiver, Policy, and Consumer-Directed Services Unit
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

Deadline for Submitting Letter of Intent: May 21, 2018, 10:00 AM Eastern Time

Deadline for Submitting Inquiries: May 21, 2018, 10:00 AM Eastern Time

Proposal Due Date: Proposals will be accepted until 10:00 AM Eastern Time on June 15, 2018

Submission Method: The proposal(s) must be sealed in an envelope or box and addressed as follows:

“RFP 2018-07 Sealed Proposal”
Department of Medical Assistance Services
Attention: Whitney Speece
600 E. Broad Street, Suite 1300
Richmond, Virginia 23219

Facsimile transmission of the proposal is not acceptable.

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, sexual orientation, gender identity, political affiliation, or veteran status or any other basis prohibited by state law relating to discrimination in employment. Faith-based organizations may request that the issuing agency not include subparagraph 9.3.1. e in General Terms and Conditions. Such a request shall be in writing and explain why an exception should be made in that invitation to bid or request for proposal.

In compliance with this Request for Proposal and pursuant to all conditions imposed herein or incorporated by reference, the undersigned proposes and agrees, if awarded this contract, to furnish the services contained in their proposal.

Firm Name (Print)	F.I. or S.S. Number
Address	Print Name
Address	Title
City, State, Zip Code	Signature (Signed in Ink)
Telephone:	Date Signed
Fax Number:	Email:
eVA Registration Vendor Number <u>Required:</u>	eVA Vendor #:
State Corporation Commission ID Number (Required): See Special Terms and Conditions	SCC ID #:
Dun & Bradstreet D-U-N-S Number (Required):	DUNS#:
Check Applicable Status Corporation ----- Partnership ----- Proprietorship ----- Individual ----- Woman Owned ----- --- Minority Owned ----- Small Business ----- If Department of Small Business and Supplier Diversity (DSBSD) certified, provide certification number: _____	

Submit this completed form with Technical Proposal under Required Forms

COMMONWEALTH OF VIRGINIA

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

REQUEST FOR PROPOSALS

FOR

VENDOR FISCAL/EMPLOYER AGENT FOR CONSUMER-DIRECTED SERVICES

RFP 2018-07

ISSUED: MAY 7, 2018

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RFP 2018-07

Vendor Fiscal/Employer Agent for Consumer- Directed Services

SECTION I INTRODUCTION

1.1 PURPOSE

The Department of Medical Assistance Services (DMAS), hereinafter referred to as the Department or DMAS, is the single State Agency in the Commonwealth of Virginia that administers the Medicaid program under Title XIX of the Social Security Act and the Children's Health Insurance Program (known as FAMIS) under Title XXI of the Social Security Act. These programs are financed by both Federal and State funds and are administered by the State according to Federal guidelines. Both programs include coverage of medical services for eligible Medicaid and FAMIS Individuals. Additional information about the Virginia Medicaid Program is available at: <http://dmasva.dmas.virginia.gov>.

DMAS offers a range of home and community-based services and supports, approved by the Centers for Medicare and Medicaid Services pursuant to §1915(c) of the Social Security Act, for Medicaid Individuals who would otherwise require the level of care provided in institutional settings. Eligible Medicaid Individuals may enroll in home and community-based Waivers or programs designed to assist them to remain in their homes and communities. Some of these Waivers and programs include Consumer-Directed Services, a model of service delivery, which affords Medicaid Individuals the opportunity to employ their own Personal Care Assistants.

DMAS is committed to offering Medicaid Individuals, who have chosen the Consumer-Directed Services model, timely, cost-effective and high quality financial management services to support their roles as employers and their employees.

It is the intent of the Department to solicit proposals from qualified and experienced Offerors who will operate as a Vendor Fiscal/Employer Agent under Section 3504-1 of the IRS code, including Agent Employment Tax Liability proposed Regulations (REG-137036-08) issued by the IRS on December 12, 2013; and Revenue Procedure 70-6. The selected Contractor will provide Vendor Fiscal/Employer Agent services for Medicaid Individuals who hire their own Personal Care Assistants and direct their own care.

A qualified Offeror must have a separate Federal Employer Identification Number (FEIN) for the sole purposes of filing federal tax forms (IRS Forms 2678, 940, 941, W-2 and W-3); and paying federal taxes (Federal income tax withholding, FICA and FUTA) on behalf of the Medicaid Individuals (employers) it represents as Agent.

A qualified Offeror should also have significant experience in 1) withholding, filing, and paying State income and employment taxes for employers and Personal Care Assistants.

The selected Contractor shall provide an effective and highly efficient operation that leverages enrollment, payroll, and invoice processing technologies; reduces the administrative burden on Medicaid Individuals, their Personal Care Assistants, and Services Facilitators, or the Designated Entity responsible for supporting Medicaid Individuals in managing their Personal Care Assistants; and provides flexible operations to allow the State to react to program changes in a timely manner.

Proposals shall be based on Contractor responsibilities and proposal submission requirements set forth in this Request for Proposals (RFP 2018--07). The selected Contractor shall provide the services required in this Request for Proposals (RFP) within federal, State, and Department requirements; ensuring the highest standards of performance, program integrity, and customer service at a reasonable cost to the Commonwealth.

- Number of Awards: An Offeror shall submit a proposal for statewide services. The maximum number of contracts to be awarded under this RFP is two (2).
- Duration of Contract: The duration of the contract resulting from this RFP is three (3) years from award date of contract. This contract may be renewed by the Commonwealth upon written agreement of both parties for up to three (3) successive one (1)-year periods, under the terms of the current contract, and at a reasonable time (approximately 90 days) prior to expiration.

1.2 GENERAL SCOPE OF RESPONSIBILITIES:

Vendor Fiscal/Employer Agent (F/EA) for Consumer-Directed Services: The responsibilities of the Contractor, which are more fully described later in this RFP, include: 1) pre-employment services including enrolling Medicaid individuals (employers) and their Personal Care Assistants (employees). This includes requesting criminal records check, child abuse and neglect checks, as well as other state and federally required background checks; 2) processing employee Timesheets; 3) deducting, filing, and paying state and federal income and employment taxes and other withholdings; 4) paying Personal Care Assistants (employees); 5) providing customer service through a Call Center; 6) providing training on F/EA enrollment and payroll processing procedures to Medicaid Individuals, Services Facilitators or designated entity responsible for supporting the Medicaid Individual in managing their Personal Care Assistants, and 7) providing an electronic visit verification (EVV) system compliant with the 21st Century Cures Act for personal care services.

The Contractor shall have an understanding of, and dedication to, the special needs of diverse Medicaid populations, including individuals enrolled in certain home and community-based Waivers, and shall provide:

- An automated system for receiving, processing, and paying Timesheets.
- A web portal capable of user self-service for enrollment, Timesheet, payroll information and EVV.
- Direct deposit, debit cards, and checks as payment methods.
- Comprehensive and ad hoc reporting capabilities.
- Technological capability to interface with the Department's system of record, for file

exchanges and payroll, invoice, and administrative claims payments.

- A toll-free number Call Center that utilizes Interactive Voice Response (IVR) that is integrated with the payroll and invoice processing systems.
- Fraud, waste and abuse identification and referral protocols.
- Methods for assessing Contractor service satisfaction.
- Department access to Contractor offices and all operations including but not limited to, databases, enrollment, payroll, invoice processing, and Call Center systems.

1.3 BACKGROUND

Consumer-Directed Services is a model of service delivery which affords Medicaid Individuals the opportunity to employ their own Personal Care Assistants and is, recognized by the Centers for Medicare and Medicaid Services to empower Medicaid Individuals and their families with a degree of choice and control over the services and supports needed to live at home and in the community. Medicaid Individuals or their designees, if the individual is a minor or unable to manage their services, participate in developing their service plans; monitor the quality of services; and, hire, train, supervise, and dismiss their Personal Care Assistants (employees). The F/EA supports individuals in their employer roles by providing pre-employment background checks, processing employee Timesheets and payroll, and filing, depositing, and paying state and federal employment taxes.

Medicaid Individuals

Medicaid Individuals, who are enrolled in one of the following home and community based services may choose to participate in the Consumer-Directed Services model: Community Living (CL) waiver, Family and Individual Supports (FIS) waiver, Commonwealth Coordinated Care Plus (CCC Plus) waiver, Early and Periodic Screening, Diagnosis and Treatment (EPSDT), and Medicaid Works. Individuals may choose the consumer directed service model for the following services:

- **Personal Care Assistance Services** to help Medicaid Individuals with their activities of daily living such as dressing, bathing, eating, and assistance with self-administered medication, either at home, at work, and in other places in the community.
- **Respite Care Services** to assist Medicaid Individuals when the unpaid, primary caregiver (e.g. family member or other person) needs a break or time away to do things for him/herself or other family members.
- **Companion Services** to assist Medicaid Individuals with housekeeping, shopping, and community activities.

Waiver information:

Available at http://dmasva.dmas.virginia.gov/Content_pgs/ltc-wvr.aspx.CMH, program information is available at: http://dmasva.dmas.virginia.gov/Content_pgs/obh-cmh.aspx. EPSDT information is available at: http://dmasva.dmas.virginia.gov/Content_pgs/mch-home.aspx.

Commonwealth Coordinated Care Plus (CCC Plus) Program

Commonwealth Coordinated Care Plus (CCC Plus) is a Medicaid managed care program that serves individuals with complex care needs through an integrated delivery model across the full continuum of care. The CCC Plus program was launched regionally from August 1, 2017 to January 1, 2018. The majority of individuals receiving Consumer Directed Services through the CCC Plus Waiver, Medicaid Works, and EPSDT are enrolled in the CCC Plus Program and receive waiver services through a managed care organization. These Consumer Directed Services are excluded from fiscal/employer agent services described in this procurement.

Employer of Record (Employer)

For each Medicaid Individual selecting the Consumer-Directed Services model, there must be an Employer of Record (EOR). The EOR is the person who signs tax paperwork, manages Personal Care Assistants, and signs Timesheets. The EOR may be the Medicaid Individual or designee (i.e., the person who is directing care on behalf of the Medicaid Individual). The EOR can be the parent of a child under 18 years of age; a family member; or caregiver of an adult with a cognitive impairment who is unable to act as an EOR. An EOR can represent only one individual receiving consumer directed services at any given time unless the individuals reside at the same physical address. **The EOR cannot be the Personal Care Assistant.**

The duties of the EOR include:

- Recruiting, hiring, training, supervising, and dismissing Personal Care Assistants
- Establishing performance evaluation criteria for each Personal Care Assistant
- Establishing schedules and tasks for the Personal Care Assistants
- Maintaining Documentation of the services provided by the Personal Care Assistants
- Establishing a process for approving, signing, and submitting Timesheets

The Virginia Consumer-Directed Waiver Services Employer Manual is available at: http://dmasva.dmas.virginia.gov/Content_pgs/ltc-wvr.aspx

Personal Care Assistants (Employees)

The Consumer-Directed Services model of service delivery includes enrollment, timesheet processing, and payroll services for Personal Care Assistants who provide personal care assistance services, respite care services and companion services.

Personal Care Assistants hired by the Medicaid Individual or his/her designee must meet the following DMAS qualifications:

- Be 18 years of age or older

- Possess basic math, reading, and writing skills
- Be able to read and write in English to the degree necessary to perform the tasks expected
- Have the required skills to perform services as specified in the individual's plan of care/service plan
- Possess a valid Social Security number
- Be authorized for employment in the United States
- Submit to a criminal background check; a child abuse and neglect records check (if the Medicaid Individual is a minor); a List of Excluded Individuals/Entities (LEIE) federal records check; and all other background checks as required by State or federal laws or Regulation.
- Be willing to attend/receive training at the request of the Medicaid Individual, Service Facilitator, or the F/EA.
- Understand and agree to comply with all policies and requirements stated in the Virginia Administrative Code, the *Code of Virginia*, and appropriate Waiver manual.

Personal Care Assistants are domestic service employees of the designated employer of record (EOR) on behalf of waiver individuals participating in Consumer Directed Services, as defined by federal labor and tax rules and regulations.

Personal Care Assistant Restrictions Certain persons are prohibited from providing Personal Care Assistance Services.

The Personal Care Assistant cannot be:

- The Employer of Record (EOR)
- The parent of a Medicaid Individual under 18 years of age or the individual's spouse
- A paid caregiver for a Medicaid Individual living under the same roof unless permitted by Department policy.
- For the Community Living, Family and Individual Supports, and adult foster care, providers cannot be the Personal Care Assistant to provide Companion Services.
- Personal care assistance services may not be provided to other people in the Medicaid individual's household unless they are also eligible for Medicaid funded Consumer-Directed Services.
- Simultaneous sharing of the Personal Care Assistant is disallowed (i.e. the caring and double billing for two Medicaid Individuals, by one Personal Care Assistant, at the same time).

Services Facilitator

The Services Facilitator is the DMAS enrolled provider who supports the EOR in managing the Personal Care Assistant(s) as required by §441.450(c) of the Code of Federal Regulations. There are approximately 204 Services Facilitation Agencies.

The role of the Services Facilitator is to:

- Develop service plans with the Medicaid Individual
- Ensure that the individual receives the services identified in the service plan
- Review the Consumer-Directed Services Employer Manual with the individual and the family/caregiver, as appropriate
- Train the individual on the tasks required of an employer

- Initiate a request for F/EA services on behalf of the Medicaid Individual
- Assist the individual with completing required employer paperwork
- Periodically review Personal Care Assistant Timesheets

The Services Facilitator **cannot** be:

- The individual receiving services
- The individual's spouse
- The individual's parent, if the participant is under age 18
- The EOR

Waiver and Program Data

Table 1 below is a summary of Consumer-Directed Services Waiver and Program Member enrollment. The table reflects activity from August 2017 to March 2018.

Table 1

DMAS Waiver and Program Enrollees August 2017 to March 2018	
DMAS Enrollees (unduplicated)	
Waivers	
CL	839
CCC Plus	1574
FIS	2076
EPSDT Program	50
Medicaid Works	0
TOTAL	4,539

Source: DMAS

1.4 DEFINITIONS

Throughout this RFP, the following definitions shall be applicable:

- Active Individual - An enrolled, unduplicated Medicaid Individual who had a paycheck issued to his/her Personal Care Assistant (employee) within the PMPM invoiced month.
- Adverse Action - An action taken by the Contractor to deny, terminate, suspend, reduce services and/or date range(s) for services, or partially approve a covered service.
- Agency - The Department of Medical Assistance Services (DMAS).
- Annual Reports - As referenced throughout this RFP, the Contractor shall develop and provide annual reports. For the purposes of contract reporting requirements annual reports shall be due within 31 calendar days after the end of the state fiscal year, July 1-June 30th, unless otherwise specified in this RFP.
- Appeal - A request made by a Medicaid Individual or authorized Medicaid service provider for a neutral party to review an Adverse action by the agency or authorized agency representative to determine whether the action complied with the Medicaid laws, regulations, and/or policy. The appeal shall be governed by the Department's regulations and any and all applicable laws and court orders.
- Benefits - Services covered under the Virginia Medicaid Program.
- Billable Rate - An agreed upon rate between the Contractor and the Department. The rate is a markup, which is meant to cover the employer expenses associated with the processing of payroll.
- Business Days - Monday through Friday, 8:00 AM to 5:00 PM, Eastern Standard Time,

unless otherwise stated.

- Case Manager - Staff of a Community Services Board or Behavioral Health Authority possessing a combination of developmental disability work experience and relevant education that indicates the individual possesses the knowledge, skills, and abilities established by the Department of Medical Assistance Services.
- CFR - Code of Federal Regulations.
- Community Services Board - A local agency established by a city or county or combination of counties or cities, under the *Code of Virginia*, that plans, provides, and evaluates mental health, developmental disability, and substance abuse services.
- Commonwealth Coordinated Care Plus (CCC Plus) - a statewide Medicaid managed long term services and supports program that services approximately 214,000 individuals with complex care needs, through an integrated delivery model, across the full continuum of care.
- Commonwealth Coordinated Care Plus (CCC Plus) Waiver -The CMS-approved waiver that covers a range of community support services offered to waiver individuals who are elderly or who have a disability who require a nursing facility level of care.
- Community Living Waiver (CL) - The CMS approved waiver that provides care in the community rather than in an Intermediate Care Facility for individuals with intellectual disabilities up to 6 years of age who are at developmental risk and individuals age or older who have intellectual disabilities.
- Companion Services - Non-medical care, supervision, and socialization provided to an adult (age 18 years or older). The provision of companion services does not entail hands-on care. It is provided in accordance with a therapeutic goal in the plan of care and is not purely diversional in nature.
- Complaint - An oral or written expression of dissatisfaction regardless of validity by a Medicaid Individual, an individual's family or other responsible party, a Facility, or an individual's Employee. See Grievance.
- CMS - Centers for Medicare and Medicaid Services.
- Contract - The signed and executed document resulting from this RFP.
- Consumer-Directed Services (CD) - A service delivery model that affords the opportunity for Medicaid Individuals to control and manage the services they receive including personal, companion, and respite care. Medicaid Individuals are considered employers and have the authority and responsibility to hire, train, supervise, and dismiss their Personal Care Assistants (Employees) responsible for providing these services.
- Contract Modifications - Any changes or modifications to the contract that are mutually agreed to in writing by the Contractor and the Department or are mandated by changes in Federal or State laws or regulations.
- Contractor - The entity that contracts with the Department, under the State Plan, and in return for a payment, provides financial management services for Medicaid Individuals participating in Consumer-Directed Services.
- Department - The Virginia Department of Medical Assistance Services (DMAS).
- Disenrollment - The discontinuance of an individual's eligibility to receive covered services or a Personal Care Assistant's eligibility to provide services under the terms of this RFP and termination within the Contractor's database.
- Commonwealth Coordinated Care Plus (CCC Plus) Waiver - The CMS-approved waiver that covers a range of community support services offered to waiver individuals who are elderly or who have a disability who would otherwise require a nursing facility level of care.
- Early and Periodic Screening, Diagnosis and Treatment (EPSDT) - A federally mandated program for eligible individuals under the age of 21.

- Eligible Person - Any person certified by the Department as eligible to receive services and benefits under the Department's Program.
- Employee - The Personal Care Assistant hired by the Medicaid Individual or Employer of Record to provide Consumer-Directed Services to the individual.
- Employer of Record (EOR) – The person who performs the functions of the employer in the consumer-directed model of service delivery. The EOR may be the individual enrolled in the waiver, a family member, caregiver, or another person. The EOR may receive no monetary compensation for this service and may not serve as the employee of the individual.
- Encryption - A security measure process involving the conversion of data into a format that cannot be interpreted by outside parties.
- Encounter - Any covered service received by a Medicaid Individual and processed by the Contractor.
- Enrolled - An eligible individual who has a Service Authorization from DMAS to receive Consumer-Directed Services. Enrolled individuals are entered into the Contractor's database.
- Electronic Visit Verification (EVV)– Verifies visit activity for in-home and in-community care services delivered and offers a measure of accountability to ensure that individuals receive the care and services they need and are authorized to receive.
- Facility - Any premises (a) owned, leased, used, or operated directly or indirectly by or for the Contractor or its affiliates for purposes related to this RFP or (b) maintained by a Subcontractor to provide services on behalf of the Contractor. In regard to Medicaid covered programs, a Facility may also be a place where services are provided.
- Family and Individual Supports Waiver (FIS) - The CMS approved waiver that covers a range of community support services offered to individuals who are 6 years of age or older with related conditions including autism and do not have a diagnosis of intellectual disability who otherwise require an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) level of care.
- Federal Information Processing Standards Codes (FIPS Codes) - A standardized set of numeric or alphabetic codes issued by the National Institute of Standards and Technology (NIST) to ensure uniform identification of geographic entities through all federal government agencies. The entities covered include states and statistically equivalent entities, counties and statistically equivalent entities, named populated and related location entities (places and county subdivisions), and American Indian and Alaska Native area. Refer to the following link for a list of FIPS Codes:
http://www.doa.virginia.gov/Admin_Services/Capp/Capp_Topics/60104.pdf
- Federal Employer Identification Number (FEIN) - Used for the purpose of filing federal tax forms and making tax payments for Medicaid Individuals.
- Fiscal Year (State) - July 1 through June 30.
- Fraud - Intentional deception or misrepresentation made by a person or entity with the knowledge that the deception could result in payment of an unauthorized benefit.
- FTE - Full time equivalent position.
- Grievance - A formal written complaint expressing dissatisfaction regardless of validity with the quality of services provided or authorized by the Contractor.
- Health Insurance Portability & Accountability Act of 1996 (HIPAA) - Title II of HIPAA requires standardization of electronic patient health, administrative and financial data; unique health identifiers for individuals, employers, health plans, and health care providers; and security standards protecting the confidentiality and

- integrity of individually identifiable health information past, present, or future.
- Home and Community-Based Services (HCBS) - The range of community supports and services approved by the Centers for Medicare and Medicaid Services pursuant to §1915(c) of the Social Security Act to be offered to individuals who require the level of care provided in an institutional setting.
- Inquiry - An oral or written communication by or on the behalf of a Medicaid Individual to the Contractor that may include: 1) questions regarding the need for additional information about Benefits, plan requirements, or materials received 2) provision of information regarding a change in the individual's status such as address or family composition or 3) a request for assistance such as obtaining translation services. Inquiries are not expressions of dissatisfaction.
- List of Excluded Individuals and Entities (LEIE) - A federal database maintained by the Office of the Inspector General in the Department of Health and Human Services containing the names of persons and entities excluded from participation in federally financed healthcare programs by the authority granted in 42 USCA 1320a-7.
- Live in Caregiver-A personal care attendant who resides at the same address as the individual receiving care. Live in caregivers are exempt from overtime compensation.
- Medicaid Enterprise System (MES): The Virginia Medicaid Enterprise System is based on the Medicaid Information Technology Architecture (MITA 3.0) framework and the CMS Seven Conditions and Standards. MES is a modularized, highly decoupled, rule-based, service-oriented software solution. Components of the System include portal management service, core services solutions, financial management service, pharmacy benefit management service, encounter processing service and data warehouse.
- Medicaid Individual - Any person authorized by the Department to participate in Consumer- Directed Services.
- Medicaid Services - Services under the Virginia State Plan for Medical Assistance Services, as amended, as provided for in Title XIX of the Social Security Act and services under Waivers approved for Virginia by the Centers for Medicare & Medicaid Services under Title XIX of the Social Security Act.
- Medicaid Works - A voluntary work incentive opportunity for individuals with disabilities who are employed or want to go to work. When enrolled in this benefit program, individuals with disabilities can earn higher income and retain more in savings or resources while ensuring continued Medicaid coverage.
- Monthly - For the purposes of contract reporting requirements, monthly shall be defined as a calendar month.
- Offeror - An entity that is offering a proposal in response to this RFP.
- Patient Pay - The portion of the individual's income that must be paid as his share of the long-term care services and is calculated by the local department of social services based on the individual's documented monthly income and permitted deductions.
- Personal Care Assistance Services - A range of support services that includes assistance with activities of daily living (ADLs), instrumental activities of daily living (IADLs), access to the community, self-administration of medication, or other medical needs, supervision, and the monitoring of health status and physical condition. These services may also be used to support individuals with their activities of daily living at home, at work, and in other places in the community.
- Personal Care Assistant (PCA) - A person who is hired by a Medicaid Individual or Employer of Record to provide attendant, companion, or respite care services to the individual under an approved Plan of Care.
- Protected Health Information (PHI) Individually identifiable information, including demographics, which relates to a person's health, health care, or payment for health care. HIPAA protects individually identifiable health information transmitted or maintained in any form or medium.

- Participating Provider -An institution, facility, agency, person, corporation, partnership, or association approved by the Department which accepts the amounts paid pursuant to a provider agreement with the Department as payment in full for providing Benefits for the Medicaid Individual.
- Pended Timesheet - A timesheet that cannot be paid by the Contractor, due to errors, Medicaid Individual ineligibility, lack of authorized services, duplicate billing, incomplete enrollment packets, or other reasons.
- Per Member Per Month (PMPM) - The capitated, per member/per month, payment by the Department, for administrative services provided by the Fiscal Employer Agent for unduplicated, active Medicaid Individuals who have had a timesheet paid during the PMPM month.
- Quality Assurance (QA) - The ongoing process of ensuring that the provision of Contractor services are appropriate, timely, accessible, available, in keeping with established guidelines and standards, and reflective of the current Fiscal Employer Agent, Consumer Directed Services, knowledge and practices.
- Quarterly - For the purposes of contract reporting requirements, quarterly shall be defined as within 20 calendar days after the end of each calendar quarter, unless otherwise specified in this RFP.
- Quarters - Calendar quarters from January 1-March 31, April 1-June 30, July 1-September 30, and October 1- December 31, unless otherwise specified in this RFP.
- Respite Care Services – Services provided to waiver individuals who are unable to care for themselves that are furnished on a short-term basis because of the absence of or need for the relief of the unpaid primary caregiver who normally provides the care.
- SBE - Small Business Enterprise as defined by the Virginia Department of Minority Business Enterprise (see www.dmbv.virginia.gov).
- Secure E-mail - The generic term that usually applies to sensitive e-mail being passed over the Internet in an encrypted format.
- Service Authorization (SA) - The process of approving either by DMAS, its service authorization contractor, or DMAS for the purposes of reimbursement for a service for the individual before it is rendered or reimbursed.
- Services Facilitator - DMAS enrolled provider responsible for supporting the Medicaid Individual, the individual's family/caregiver or Employer of Record, as appropriate, by ensuring the development and monitoring of the Consumer Directed Services plans of care, providing employee management training, and completing ongoing review activities as required by the Department for Consumer-Directed Services.
- Shall - A mandatory requirement or a condition to be met.
- State -Commonwealth of Virginia.
- State Plan for Medical Assistance (State Plan) The comprehensive written statement submitted by the Department to CMS for approval describing the nature and scope of the Virginia Medicaid program and giving assurance that it will be administered in conformity with the requirements, standards, procedures and conditions for obtaining federal financial participation. The Department has the authority to administer the State Plan for Virginia under *Code of Virginia* §32.1-325, as amended.
- Subcontract An agreement entered into by the Contractor with any other organization or person who agrees to perform any administrative function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the Department under the terms of this RFP and the contract entered as a result of this RFP.
- Subcontractor - An approved entity that contracts with the primary Contractor to perform part of the Contractor's responsibilities under this contract. For the

purposes of this contract, the Subcontractor shall be considered providers of the contract.

- Timesheet - A record of billable services provided, by the Personal Care Assistant, to the Medicaid Individual EORs must approve or deny Timesheets before submission to the F/EA for payment.
- Vendor - One who sells goods or services.
- Vendor Fiscal/Employer Agent (F/EA) - An entity contracting with the State and operating under section 3504-1 of the IRS code, including Agent Employment Tax Liability proposed Regulations (REG-137036-08) and rule for Home Care Service Recipients (REG- 31.3504-1(b) issued by the IRS on December 12, 2013, and Revenue Procedure 70-6 who has a separate Federal Employer Identification Number used for the sole purpose of filing federal employer tax forms and payments on behalf of the Medicaid Individuals it represents as Agent. The F/EA provides financial management services to support individuals who hire their own Personal Care Assistants.
- Virginia Medicaid Management Information System (VAMMIS) The medical assistance eligibility, enrollment, and payment information system of the Virginia Department of Medical Assistance Services.
- Virginia Administrative Code (VAC) - Contains regulations of all of the Virginia State Agencies.

SECTION II NATURE AND SCOPE OF SERVICES

2.1 PRIMARY RESPONSIBILITIES

This RFP requests a Contractor to serve as the F/EA for Medicaid Individuals enrolled in certain waivers and specified programs that offer Consumer-Directed Services. In accordance with this RFP, the Contractor shall:

- a. Establish and maintain up-to-date Medicaid Individual files, Personal Care Assistant files, program files, and records in a confidential and secure manner.
- b. Provide a web portal system and alternate methods for:
 - 1.) F/EA services enrollment that includes all required state and federal tax forms; signature verification; employer/employee relationship verification; timesheet; pay schedule; and other information necessary to meet Medicaid requirements and carry out employer responsibilities,
 - 2.) Personal Care Assistant enrollment that includes all required state and federal employment eligibility and tax forms; background check authorization forms; an employer/employee agreement of responsibilities; timesheet; pay schedule; direct deposit and debit card application; and other information necessary to meet Medicaid requirements and carry out employee responsibilities,
 - 3.) Services Facilitator to submit requests for F/EA services on behalf of Medicaid Individuals; update demographics; access Timesheets and other required information; Department inquiry and access to data and reports; and Electronic Visit Verification.
- c. Provide Secure e-mail for inquiries inclusive of PHI, notification of policy, procedures, and other changes.
- d. Conduct criminal, child abuse and neglect, and Federal LEIE database background checks.

- e. Receive and process Timesheets through a web portal, fax, or mobile application.
- f. Implement IT capability to electronically exchange files with DMAS to verify Service Authorizations, Patient Pay, individual eligibility and other necessary data to ensure timely and accurate payroll.
- g. Ensure that prior to payment, Timesheets pass all Contractor payroll system edits; and pay rates are in accordance with DMAS established rates.
- h. Offer direct deposit and debit card payroll solutions.
- i. Process and disburse Personal Care Assistant's bi-weekly payroll in accordance with federal and State Department of Labor and Industry requirements.
- j. Adhere to all State and federal tax filing and withholdings requirements and timelines.
- k. Manage end-of-year federal and State tax processes.
- l. Process employment verifications, Social Security verifications, and other employment information requests within requested timeframes.
- m. Receive, disburse, track, and reconcile the expenditure of Medicaid funds.
- n. Receive and reconcile monthly capitation payments from DMAS.
- o. Submit background check claims as scheduled by DMAS using the ANSI 837P layout using the 5010 version and addenda and defined as the industry standard.
- p. Maintain and test ANSI upgrades to all EDI formats as needed.
- q. Operate a toll-free Call Center that utilizes Interactive Voice Response (IVR) that is integrated with the payroll system and provides automated Timesheet and payroll status information to callers.
- r. Develop and implement a system that tracks all grievances, complaints, and resolutions.
- s. Develop and implement a monitoring system and Quality Assurance plans.
- t. Implement fraud waste and abuse management identification and referral protocols.
- u. Submit management reports to DMAS.
- v. Maintain adequate staff and facilities as determined by DMAS
- w. Participate in appeals as requested by DMAS. (Reference Section 4.21).
- x. Participate in appeals and hearings as requested by the Virginia Employment Commission.
- y. Conduct annual assessments of Contractor service satisfaction utilizing a qualified Subcontractor.
- z. Provide regular training on F/EA enrollment and payroll processing procedures to Services Facilitators or Designated Entity.
- aa. Conduct quarterly teleconferences with Services Facilitators to inform them of new enhancements to F/EA processes and address questions and service needs.
- bb. Enroll with Medicaid as a provider.

2.2 IMPLEMENTATION SCHEDULE

The Department is seeking an experienced Contractor who can implement F/EA Services and tasks quickly and efficiently. The schedule below represents the Department's maximum timeframes for implementation of these services.

TARGET DATE	MILESTONE
May 7, 2018	State Issues RFP
May 21, 2018	Letters of Intent due to Department
May 21, 2018	Inquiries Due to Department
June 15, 2018	Proposals due to Department
January 1, 2019	F/EA Services Implemented

Administration of Consumer-Directed Waiver Services by the Contractor shall begin on January 1, 2019 (implementation). Payment to the Contractor shall begin upon implementation.

The Contractor shall submit after the award of the contract, detailed implementation plans demonstrating the Contractor's proposed schedule to implement F/EA Services and include a 100% dedicated project manager as approved by the Department. A comprehensive report on the status of each task, subtask, and deliverable in the work plans shall be provided to the Department by the Contractor every week from the time of contract execution through six months after successful implementation. The implementation plans shall be prepared in Microsoft MS Project and shall delineate each task, with milestones, and dates through the end of the first contract year. The Contractor and Department will work together during initial contract start-up to establish a schedule for key activities and define expectations for the content and format of contract deliverables through the first Fiscal Year.

The Department may make such reasonable investigations as deemed proper and necessary to determine the ability of the Contractor to perform the services and the Contractor shall furnish to the Department all such information and data for this purpose within requested timeframes. The Department reserves the right to inspect Contractor's physical facilities, including any located outside of Richmond, Virginia any time prior to award and anytime during the contract period to satisfy questions regarding the Contractor's capabilities. The Department further reserves the right to reject any proposal if the evidence submitted by, or investigations of, the Contractor fails to satisfy the Department that the Contractor is properly qualified to carry out the obligations of the contract and to provide the required services in a timely manner.

SECTION III APPLICATION TO CONTRACT – MANDATORY REQUIREMENTS

This section contains the mandatory requirements for the RFP.

3.1 ELECTRONIC VISIT VERIFICATION REQUIREMENTS

General Scope of Responsibilities

The Department of Medical Assistance Services is authorized to require Consumer-

Directed employees providing personal care, respite care, and companion services in the Commonwealth Coordinated Care Plus (CCC Plus) and Developmental Disability waiver programs and the Early and Periodic Screening Diagnosis and Treatment (EPSDT) program, and Medicaid Works program to utilize an Electronic Visit Verification (EVV) system.

The term 'Electronic Visit Verification system' means with respect to personal care services or home health care services, a system under which visits conducted as part of such services are electronically verified. The 21st Century Cures Act, Section 12006 directs states to require an EVV system for Medicaid funded personal care services by January 1, 2019. Under the new mandate, the EVV system must meet certain standards. The Contractor shall establish and maintain a system, policies, procedures, and internal controls capable of meeting the standards set forth in this RFP.

3.1.1 EVV Systems

The Contractor shall have a system, including data elements for a real time electronic visit verification system that will electronically verify document and collect data for the following requirements:

- Type of service performed
- Medicaid Individual receiving service
- Date of service
- Location of service delivery
- Employee(s) providing service
- Time service begins and ends

3.1.2 The Contractor must securely transmit all raw data elements to the Department in the approved format according to an approved transmission schedule. The system must contain edits and audits to ensure correct and complete formatting of data submitted to the EVV system by Medicaid Individuals and employee(s). Complete verification and documentation for each visit is required.

3.1.3 The Contractor shall have system edits in place preventing claims for services that are not electronically verified and documented using the EVV system, or otherwise inconsistent with an approved Service Authorization.

Web-based access

3.1.4 The Contractor shall have a system to support real time access to Medicaid Individuals, employees, Services Facilitators and DMAS. The EVV system shall:

- Provide access to and use of the EVV system and EVV data for timesheet submissions
- Electronic data interchange capabilities to allow the Medicaid Individual and employee to add, delete, and update timesheet information
- Allow real time visibility of service use consistent with standards, specifications and business rules for electronic data interchange, HIPAA compliant privacy and security, and EVV system functionality and operation as approved by the Department

- Provide role-based access controls that allow Medicaid Individuals and employees to create user roles. The system must provide real time jurisdictional views for Services Facilitators, DMAS and approved Designated Entities
- Have the capability to limit authority to modify changes and modifications to service entries
- Capable of adding new functional features and supporting multi-users in the future without affecting system functionality

Verification of hours worked

A key component to ensuring accuracy in time reporting is to ensure that the tasks and hours reported occurred in the Medicaid Individual's home. The Contractor shall have a system and internal controls to allow for review, approval and submission of Timesheets by the appropriate designee. The Contractor shall provide mobile visit verification and telephonic visit verification options in collecting information.

3.1.5 The Contractor shall have a mobile application to collect information including multiple clock in/out time submissions, date of service selections, Medicaid Individual and employee ID numbers, and GPS technology used to verify location and visits using GPS enabled devices.

3.1.6 The Contractor shall provide capability and access to record visits, to record tasks performed during the visit, and ability to document comments and feedback submissions.

3.1.7 The Contractor shall have a telephonic visit verification technology to validate telephone calls from the Medicaid Individual's identified phone number(s) to log in and log out, recording time, tasks and location in real time.

3.1.8 The Contractor shall have a telephonic visit verification system that offers a 24 hour 7 days a week telephony solution allowing individuals to dial in a United States based toll free number and the ability to log on using the individual's personal ID number.

3.1.9 The Contractor shall have a system that has Automatic Number Identification (ANI) technology that can locate the origin of a call, the call time, the Medicaid Individual and employee ID numbers.

3.1.10 The Contractor's call center shall provide technical support during normal business hours (8:00 AM to 6:00 PM Monday thru Friday, except for federal holidays to Medicaid Individuals, employees, and Services Facilitators to address questions and issues pertaining to the use of the EVV system.

Reporting

3.1.11 The Contractor shall have a system that is capable of generating reporting tools that enable users to have real time data and dashboards as well as retrospective reporting capabilities.

3.1.12 The Contractor shall have the ability to build versatile reporting mechanisms from data collected during service delivery. The Contractor must provide the Department the ability to access data collected and the ability to create reports from data collection using data elements to query and generate ad-hoc reports. In addition, the EVV system must be able to provide at a

minimum a standard suite of reports to the Department. The Contractor shall describe the methodology for generating standard and unique ad-hoc reports in the Contractor's response to this RFP and include sample listings of reports as evidence of the capability of system functionality.

3.1.13 The Contractor shall acquire an aggregator system, approved by the Department, that will record data, ensure visits are verified, match approved service authorizations, and generates alerts when visit data does not conform to standards.

Training, Education, Outreach and Disaster Recovery

3.1.14 The Contractor shall prepare written communication, participate in stakeholder meetings, training sessions and provide web-based outreach and training materials, as approved by the Department, for users of the system.

3.1.15 The Contractor shall provide initial, refresher, and ongoing system training at least annually to Medicaid Individuals, employees, Services Facilitators, and DMAS.

3.1.16 The Contractor shall provide a detailed plan for initial and ongoing training, including a training manual and web-based training models. The Contractor must address in the response to the RFP how questions will be received and answered upon completion of implementation and ongoing support initiatives.

3.1.17 The Contractor shall develop a Disaster Recovery Plan that complies with federal guidelines (45 CFR 94.62 (f)), identifying every resource that requires backup and to what extent the back is required.

3.1.18 The Contractor Disaster Recovery Plan must at a minimum, include daily backups in the event of a system failure and include offsite electronic and physical storage located in the United States.

3.1.19 The Contractor Disaster Recovery Plan shall identify the software and data backup requirements, demonstrating the ability to connect and interface with the system in the event of system failure.

SECTION IV - TECHNICAL PROPOSAL REQUIREMENTS

This section contains the Technical Proposal requirements for this RFP. The Offeror shall provide a detailed narrative of how it will define and perform each of the required tasks for Consumer-Directed Services listed in the Technical Proposal Requirements sections of this RFP and cross-reference the Offeror's proposal response to each RFP requirement. The narrative shall demonstrate that the Offeror has considered all requirements and developed a specific approach to meeting them to support a successful contract. It is not sufficient to state that the requirements will be met. The description shall correspond to the order of the tasks described.

The successful Offeror will also provide systems functionality and program operations to place Virginia at the leading edge of innovation. DMAS encourages potential Offerors to bring innovations and propose enhancements that will help DMAS effectively balance its responsibility to eligible individuals and fiscal accountability to Virginia taxpayers.

Major subcontractors, vendors, and/or software products shall be identified by name and by a description of the services and functions they will be performing. The prime Contractor shall be wholly responsible for the entire performance of this contract whether or not subcontractors are used.

The successful Offeror shall make maximum efforts to ensure minimum disruption in service to Medicaid Individuals, Personal Care Assistants, and Services Facilitators, and a smooth interface of any claims processing or system changes to transfer necessary information without material disruption during implementation of the program.

4.1 FEDERAL APPROVAL TO BE A VENDOR FISCAL/EMPLOYER AGENT

4.1.1 Before the Contractor can begin performing financial management services as described in this RFP, the Contractor must have received federal approval to be the F/EA. The Contractor shall file IRS Form SS-4 per IRS Instruction for Agents and obtain a separate Federal Employer Identification Number (FEIN) for the sole purpose of filing federal tax forms (including the IRS Forms 2678, 940, 941, W-2 and W-3) and making tax payments for Medicaid Individuals it represents as agent. The FEIN shall not be used for processing wages and related federal forms and taxes for F/EA employees or employees of a parent organization or sub-entity. This FEIN shall be listed on the signature page of the Offeror's proposal.

4.1.2 The Contractor shall have a system in place, written policies and procedures, and internal controls for timely and accurate filing of all applicable forms required by the state and federal governments for purposes of withholding, paying, and reporting state and federal income tax, unemployment tax, or both for each individual it represents; for timely revocation of these responsibilities; for monitoring filings and revocations; and for maintaining relevant documentation in each individual's file.

IRS Form SS-4 (Application for Employer Identification Number)

4.1.3 The Contractor shall have a system in place; written policies and procedures including timeframes; and internal controls for obtaining an FEIN for each Medicaid Individual or the Employer of Record, as applicable, it represents and for maintaining copies of the FEIN, IRS FEIN notification, and copy of the filed Form SS-4, in the individual's file.

4.1.4 The Contractor shall have a system in place; written policies and procedures including timeframes; and internal controls for retiring individuals' FEINs permanently when they are no longer employers) including timely notification to the IRS when an employer's FEIN needs to be closed.

IRS Form 2678 (Employer Appointment of Agent)

4.1.5 The Contractor shall have a system in place; written policies and procedures including timeframes; and internal controls for receiving written authorization from the IRS to be the employer agent for each individual it represents and for

maintaining a copy of the written authorization in each individual's file.

- 4.1.6** The Contractor shall have a system in place; written policies and procedures, including timeframes; and internal controls for revoking the IRS Form 2678 for each individual it no longer represents in accordance with IRS requirements and to maintain the relevant documentation in each Individual's file.

4.2 VENDOR FISCAL/EMPLOYER AGENT WEBSITE PORTAL AND WEBSITE

The Department requires that the Offeror include in its response to this RFP proposed development and maintenance of a secure Contractor web portal (https) for use by Medicaid Individuals (EORs), Personal Care Assistants (employees), Services Facilitators, and DMAS. The database shall be capable of maintaining and recording participant Protected Health Information (PHI) for the Department's contract. Data stored in the database shall be kept current, based on updates received from the Department's fiscal agent, and the Contractor's payroll and invoice processing systems.

The roles based self-service web portal will provide a single point of access for all F/EA services, as designated by the Department, regardless of the entity requiring access to the portal. The Offeror shall describe the approach and technology, which will be used to convert and transfer supporting records and documentation from the current Contractor's system to include any work currently in process. In addition, the Offeror shall describe any foreseeable obstacles or constraints impeding this process. A description of any proposed document management solutions should be included.

The Offeror shall describe in detail the software and automated payroll processing, invoice processing, automated employer enrollment and employee onboarding systems, and capabilities in the proposal. The Offeror's proposal shall address methods to be used, timeliness, work plans, personnel, and other pertinent information in order to achieve full compliance with all tasks and deliverables.

The Contractor will maintain the database and processing systems at their facility. DMAS and DMAS authorized agents shall have access to the Contractor's database, both from DMAS' site and the Contractor's site, to support the contract. DMAS requires at a minimum, 10 access/licenses to the database and the various applications used by the Contractor at no additional cost to the Department. All data and other information used to maintain the F/EA systems is the property of the Department.

Web Portal Self-Service Payroll

- 4.2.1** The Contractor shall have a system, policies and procedures, and internal controls for implementation and maintenance of a secure, self-service through web portal submission for individuals and their employees that integrates enrollment, timesheet, and payroll information. The web portal shall enable users to view, update, and print real time and historical information including: enrollment and employer and employee demographics; services authorization; service use; paystubs, tax; patient pay, garnishments, and other withholdings; year-end tax forms (e.g. W-2's); and other needed information. Simple spreadsheets or database products (such as Microsoft Excel or Access) do not meet the criteria for an automated payroll

system under this RFP.

4.2.2 The self-service web portals shall be integrated with the Contractor's financial management and enrollment systems and be user friendly and interactive.

4.2.3 The web portal shall be accessible and functional 24 hours/7days a week, except for mutually agreed upon maintenance periods.

4.2.4 The secure web portal shall be designed to accommodate both new users and secure access by enrolled and registered users.

4.2.5 The Contractor shall notify the Department within 1 hour when, for any reason, the portal is unavailable to Medicaid Individuals or other users.

4.2.6 Contractor shall establish and operate a database and processing system maintained with the highest level of privacy and security as defined in HIPAA regulations.

4.2.7 The self-service web portal shall be owned by the Department upon completion, termination, or cancellation of the contract. The Department shall have full read only access to all systems supporting F/EA services and reporting. This system shall be capable of allowing for future growth and flexibility sufficient to meet the needs of Consumer-Directed Waiver Services in the Commonwealth at no additional cost to DMAS. The Contractor must provide a secure site that complies with both HIPAA and the Virginia Information Technology Accessibility (VITA) security standards and guidelines. (See: <http://www.vita.virginia.gov/library/default.aspx?id=663>).

4.2.8 Performance Standard: 100% of web portal functionality shall be accessible 24 hours/7days a week

Data Elements

4.2.9 The Contractor shall maintain an electronic database web portal with up-to-date data on services, EOR's, employees, and Services Facilitators that includes, but is not limited to, the following data elements:

Medicaid Individual and Employer of Record (EOR):

- Name
- Medicaid ID Number
- Eligibility Status
- Birth Date
- Social Security Number
- Demographics and Contact Data
- FIPS Codes
- FEIN
- Individual's Relationship to Employee(s)
- Individual's Relationship to EOR
- Enrollment Date

- Enrollment Status
- Enrollment and Tax Forms Completion Status
- Tax Filing Data

Services:

- DMAS Service Codes and Names
- Waiver Types
- Patient Pay
- Service Authorization (SA) Number
- SA Units and Date Ranges
- SA Hours Used and Balance

Employee:

- Name
- Employee ID Number
- Social Security Number
- Demographics
- Enrollment Date
- Enrollment and Tax Forms Completion Status
- Enrollment Status
- Background Check Status and Results
- Pay Rates (Northern Virginia and rest of State)
- Billable Rates (Northern Virginia and rest of State)
- Payroll Schedule
- Pay Period
- Tax Status
- Employment Agreement Signed
- Tax Filing, Exemptions, Allowances, and Withholdings
- Garnishments and Liens
- Employee Pay Distribution - Bank Account/Debit Card Transit Number

Timesheets and Payroll:

- Timesheet Number
- Timesheet Authorized Signatures
- Dates Worked
- Hours Worked
- Timesheet Status
- Timesheet Pend Reasons
- Timesheet Import Type – Web, Manual
- Journal Posting Dates
- Pay Date
- Check/EFT/Debit Card Payments
- Payment Authorized/Blocked
- Check Number
- Pay Check Amounts

Services Facilitator:

- Agency Name
- ID Number

- Demographics and Contact Data
- Services Facilitator trainings held by Contractor, Dates, Attendees

4.2.10 DMAS shall own all data and files and the Contractor shall provide DMAS with all data and files upon request.

Payroll Schedule

4.2.11 The Contractor shall have a system, policies and procedures, and internal controls for a twice monthly payroll that meets federal and state Department of Labor and Industry wage, hour, and pay date requirements for hourly employees. Two alternating pay schedules (A and B) shall be implemented based upon geographical location of the Medicaid Individual.

4.2.12 The Contractor shall prepare and disburse electronic direct deposits of funds, according to the schedule established by the Contractor and the Department, ensuring compliance with Virginia Department of Labor and Industry pay date requirements.

Payroll Processing and Payment

4.2.13 The Contractor shall have a system, policies and procedures, timeframes, and internal controls for issuing Personal Care Assistant bi-weekly pay that includes options for electronic funds transfers to include direct deposit and debit card. Paper checks shall only be dispersed in the pre-notification process.

4.2.14 The Offeror shall describe, within its response to this RFP, experience with using debit cards as a payment method, company used, and length of relationship. The Offeror shall further describe debit card options including: features; structure; user fees; discounts; employer fees; online account management features; and length of time it takes for the card to be established. The Offeror shall make recommendations, consistent with industry best practices, for DMAS consideration.

4.2.15 The Contractor shall develop and implement a plan to introduce and fully increase participation in electronic payroll payments. The plan shall include detailed strategies, milestones, performance analysis, and outcome measurement.

4.2.16 The Contractor shall have a system, policies, and procedures, and internal controls to ensure that employee pay rates and billable rates are accurate, as established by DMAS, in accordance with hourly pay and tax rates. The Contractor shall have protocols for Quality Assurance and payroll data testing of all impending pay rate changes, prior to the effective date. (DMAS has two employee pay rates: a higher rate for Employees of individuals residing in Northern Virginia and a base rate for Employees of individuals residing elsewhere in the State.

The Contractor shall have a system; policies and procedures, including timelines; and internal controls to notify the Medicaid Individual and his/her employee(s) of all payroll discrepancies; correct payroll discrepancies; and provide refunds or payroll adjustments necessary to ensure correct payment for authorized services.

4.2.17 All payroll processing discrepancies or delays caused by the Contractor shall be corrected within the payroll disbursement cycle regardless of payroll schedule. The Contractor shall have policies and procedures, including timelines, and internal controls to refund attendants; reimburse their bank accounts or debit cards; and have bank and debit card fees, any bank, debit card, and penalty fees penalties waived and all costs borne by the Contractor, that have resulted from Contractor errors or untimely payments. All untimely and improper checks shall be overnighted within one (1) Business Day of discovery at the Contractor's expense.

4.2.18 The Contractor shall have a system, policies and procedures, and internal controls for managing weekly off cycle checks that includes submission to the Department for approval.

4.2.19 The Contractor shall have a system, policies and procedures, timelines, and internal controls for managing improperly cashed or issued checks and electronic deposits that includes, but is not limited to, stopping payments on checks and re-issuing lost checks or improperly issued checks at no expense to DMAS. The Contractor shall maintain a history of these transactions and report all occurrences to DMAS upon discovery

4.2.20 The Contractor shall have a system, policies and procedures, and internal controls to prevent displaying of the Social Security Account Number of any individual, or derivative of such number on any check issued for any payment per the Social Security Number Protection Act of 2010 (§205c(2)(C) of the Social Security Act (42 U.S.C. 405(c)).

4.2.21 The Contractor shall not employ or enter into a contract for the use of or employment of prisoners, in any capacity, that would allow prisoners access to the Social Security Account Numbers of other individuals per the Social Security Number Protection Act of 2010 (§205c(2)(C) of the Social Security Act (42U.S.C. 405)(c).

4.2.22 The Technical Proposal shall include: the number and percent of employees using direct deposit, debit cards, and paper checks for a current contract that most closely approximates Virginia's payroll statistics provided in this RFP.

4.2.23 The Contractor shall have a payroll processing and distribution system that has the capacity to calculate and make accurate payment to attendants that live in the home of a Medicaid Individual and work more than 40 hours in one work week to be compensated at the regular hourly rate in accordance with FLSA and the Department guidelines. Overtime payment for hours worked more than 40 hours in one work week is not permitted.

4.2.24 The Contractor shall have a system that includes edits to prevent payment of incorrect, incomplete, and duplicative Timesheets; has pending management capabilities; the ability to accurately process and reconcile high volume weekly

payroll including all state and federal withholdings and garnishments; can accurately manage quarterly and end of year state and federal tax and unclaimed property processes; and can produce reports.

Timesheets

4.2.25 The Contractor shall have a system, policies and procedures, and internal controls for receiving, verifying, and accurately processing of Timesheets. Timesheets shall record the actual time and hours worked, including workdays with split shifts and service type.

4.2.26 The EOR is responsible for approving bi-weekly Timesheets i.e. ensuring they are filled out completely and accurately, signed, and submitted to the Contractor by the timesheet deadline. Timesheets received after the deadline, due to late submission by the EOR, may be paid off cycle week but must be in compliance with Virginia Department of Labor and Industry requirements for twice monthly pay dates for hourly employees.

4.2.27 The Contractor shall have a system; policies and procedures, including timelines; and internal controls to notify the EOR or his/her employee(s) of all timesheet errors to enable correction of errors by the payroll cycle pay date.

4.2.28 The Contractor shall implement and maintain a secure web portal for electronic timesheet submission by EORs and their employees. The electronic timesheet system shall be fully integrated with the Contractor's financial management system; be interactive and user friendly; provide real time Service Authorization and timesheet status information; and be accessible and functional 24 hours/day, 7 days/week except for limited maintenance times. The portal must enable real time validation of Timesheets to check for errors; electronically notify the user of errors; enable on-line timesheet correction; and prevent payment of incorrect Timesheets. Additionally, the portal shall provide for timesheet approval by the EOR prior to submission and real time and historical timesheet information.

4.2.29 The Contractor shall provide on-line tutorials, training opportunities for users, and methods for providing real time assistance to electronic timesheet users.

4.2.30 The Contractor shall have system edits to prevent payment of incorrect, incomplete and duplicative Timesheets.

4.2.31 Electronic Timesheets shall be the default system for timesheet submission however; the Contractor shall also provide alternate methods for timesheet submission. Alternate methods must be integrated with the Contractor's financial management system and include validation for accuracy prior to payment.

4.2.32 The Contractor shall have policies and procedures, and internal controls for identifying, pending, and correcting Timesheets that have errors.

4.2.33 Performance Standard: 95% of Pended Timesheets, within the purview of the Contractor to correct, shall be less than one month old.

4.2.34 Performance Standard: 100% of correct Timesheets, received by the Timesheet deadline, shall be accurately processed and disbursed by the correlated payroll cycle pay date.

4.2.35 The Technical Proposal shall include: 1) a description or listing of the Offeror's payroll system edits that prevent payment of incorrect, incomplete, duplicative, and erroneous Timesheets; 2) a copy of the Offeror's timesheet; and 3) timesheet processing performance data for December 2016 and January 2018. Performance data shall include: the number of Timesheets received; number and percent pended and rejected; and the number and percent successfully processed through disbursement on a weekly and monthly basis for a contract that most closely approximates Virginia's timesheet statistics provided in this RFP.

Employment and Earnings Verification

4.2.36 The Contractor shall have a system, policies and procedures, timeframes, and internal controls for completing employment verifications, Social Security earnings verifications, and other ancillary requests.

4.2.37 The Contractor shall participate in all Virginia Employment Commission (VEC) hearings upon request from VEC.

An average of 150 Separation Questionnaires, including telephonic hearing notices, are received by the F/EA each month. Approximately 80-85 notices result in telephonic hearings. The F/EA also receives 1-2 Appeals Hearing Requests and approximately 25 VEC Benefit Accuracy Audit forms for completion each month.

4.2.38 The Contractor shall respond to all employment verifications received within the timeframes established by the requestor.

Fiscal/Employer Agent Website

4.2.39 The Contractor shall provide support and maintenance of a website. Routine updates shall be made by the Contractor and, upon request, by the Department at no additional cost.

4.2.40 The website shall support communications, user tutorials, presentations, manuals, technical assistance, program documents, online enrollment hire packets, and web portal access for Medicaid Individuals, and employees.

4.2.41 Hyperlinks shall be available to meet the needs of Medicaid Individuals, employees, Services Facilitators, and DMAS.

4.2.42 The website shall be accessible and functional 24 hours/day, 7 days/week, except for mutually agreed upon maintenance periods.

4.2.43 The website shall contain up-to-date information and have operable links.

4.2.44 The Contractor shall notify the Department within one (1) hour when, for any reason, the portal is unavailable to Medicaid Individuals or other users.

4.2.45 The web site shall contain alerts for program, payroll, tax, website maintenance periods, and other changes affecting Medicaid Individuals and employees.

4.2.46 The web site shall contain instructions on how to obtain information in non-English languages.

4.2.47 Performance Standard: 100% of website functionality shall be accessible 24 hours/7days a week

4.3 VENDOR FISCAL/EMPLOYER AGENT SERVICE INITIATION

F/EA Services are initiated by electronic request, to the Contractor, from the Services Facilitator or Designated Entity on behalf of the Medicaid Individual. The request includes Services Facilitator and EOR demographics. The Contractor shall have a system, policies and procedures, and internal controls to:

4.3.1 Provide web portal access for Services Facilitators, or Designated Entity, to electronically submit requests for F/EA services; view Timesheets and other required information.

4.3.2 Verify Services Facilitator or Designated Entity and Medicaid Individual demographics with VAMMIS and Virginia Federal Information Processing Standards (FIPS) Codes and enter verified data into the F/EA database within three (3) Business Days of receipt of the service request.

4.3.3 Electronic notification to Services Facilitators or Designated Entity that have submitted F/EA service requests that are incomplete or contain errors.

DMAS will approve all changes to the F/EA service initiation request format prior to Contractor implementation.

4.3.4 Performance Standard: 99% of all complete and correct Services Facilitator Requests for F/EA services shall be successfully entered into the F/EA database within three (3) Business Days of receipt.

Secure E-mail

4.3.5 The Contractor shall provide SSL Secure e-mail access over the Internet 1 between DMAS and the Contractor and any other entity where PHI is communicated. No direct connection of VPNs to DMAS will be used for this purpose nor will DMAS use individual e-mail certificates for its staff. Such Secure E-mail will only require DMAS staff to use a 128-bit SSL enabled web browser to access from the Contractor or send e-mail to the Contractor. DMAS will provide no special application server(s) for this purpose. Routing of e-mails over point-to-point telecommunications circuits between DMAS and the Contractor supports Secure SMTP over Transport Layer Security (TLS) RFC 3207 over the internet. The solution must include a method for secured industry standard e-mail using strong Encryption keys (greater than 128 bit) between DMAS and the Contractor throughout the contract term. TLS e-mail Encryption will be maintained through the mail gate way. Bidirectional TLS e-mail Encryption must be tested and documented between DMAS and the Contractor's SMTP server. Otherwise, the Contractor will use the DMAS Secure e-mail server encrypted at 128-bits for

Secure e-mail. DMAS currently uses Tumbleweed Secure e-mail server, which may change as DMAS' e-mail system is transformed to the VITA e-mail system. All expenses incurred in establishing a secure connectivity between the Contractor and DMAS, any software licenses required, and any training necessary shall be the responsibility of the Contractor.

4.4 MEDICAID INDIVIDUAL/EMPLOYER ENROLLMENT

4.4.1 The Contractor shall develop and distribute or make available enrollment packets for each Medicaid Individual referred by a Services Facilitator or Designated Entity within three (3) Business Days of receipt of the Services Facilitator or Designated Entity request. The enrollment packet shall be, pre-populated to the maximum extent possible, and available for web portal submission. An example packet shall be posted on the Contractor's website and available in hard copy. All postage costs for hard copy packet distribution and packet returns by EORs to the F/EA shall be borne by the Contractor. The enrollment packet shall be presented in a format that is easily understood. At a minimum, the packet shall contain the following:

- a. An introductory letter outlining enrollment process.
- b. Information about Contractor services and operations (F/EA roles and responsibilities, hours of operation, Customer Service toll-free number, contact information, and complaint, grievance, and appeals processes,).
- c. Information differentiating the roles of the F/EA, the Department, and the employer.
- d. All applicable federal forms that the individual must complete, sign, and submit with accompanying instructions minimally including: IRS Form SS-4, Application for Employer Identification Number; Form 2678, Tax Information Authorization, Power of Attorney and Declaration of Representative.
- e. All applicable State forms that the individual must complete, sign, and submit with accompanying instructions minimally including: Form R-1, Virginia Business Registration Application; Form FC-27, Virginia Employment Application for Unemployment Insurance (UI) Account Number; Form VA. PAR 101 Power of Attorney.
- f. Description of the requirements a new Medicaid Individual and new employee must adhere to before they will officially be enrolled.
- g. Information on background checks and employment eligibility requirements including barrier crimes, the Child Abuse and Neglect Central Registry, and the federal List of Excluded individuals and Entities (LEIE).
- h. Description of how the individual and their employee will be notified in the event of errors causing a timesheet to be rejected or pended.
- i. Description of payroll periods; timesheet due dates; errors to avoid a delay in processing a timesheet; what to expect if the Timesheet arrives after the payroll cut-off date; and timelines for timesheet processing and payroll

distribution

- j. F/EA forms (signature verification; Notice of Discontinued Employment; acceptance of responsibility form for employers who want to hire attendants with criminal convictions that do not include barrier crimes; Timesheets; payroll schedule; address change; Patient Pay deductions; and other applicable consent and agreement forms).
- k. Written communication to Medicaid Individuals and Services Facilitators of options in returning enrollment packets
- l. Enrollment options when internet access is unavailable, within three (3) Business Days of the date of receipt of the Fiscal Agent Request Form.

4.4.2 The Contractor shall have procedures and timelines for following up with individuals who have submitted employer packets that are incomplete or contain errors.

4.4.3 If a complete and correct packet is received prior to Service Authorization, the packet shall be processed, within required timelines, pending notification of Service Authorization.

4.4.4 The Contractor shall have a system, policies and procedures, timelines, and internal controls to distribute, collect, and process all information contained in enrollment packets and maintain copies in each Medicaid Individual's file.

4.4.5 DMAS will approve all changes to employer packet information prior to Contractor implementation and any subsequent changes post implementation.

The contractor shall have a system to date stamp all documents received. Documents shall be date stamped on the same Business Day received.

Documents received during non-business hours will be date-stamped the following Business Day.

4.4.6 **Performance Standard:** 95% of complete and correct employer packets shall be successfully processed and entered into the F/EA database within three (3) Business Days of receipt.

4.4.7 The Technical Proposal shall include: a copy of the Offeror's employer enrollment packet and enrollment processing performance data for December 2016 and January 2018. Data shall include: the number of employer enrollment packets received and number and percent successfully processed on a weekly and monthly basis for a contract that most closely approximates Virginia's enrollment statistics provided in this RFP.

4.5 PERSONAL CARE ASSISTANT/EMPLOYEE ENROLLMENT

4.5.1 The Contractor shall develop and distribute or make available Personal Care Assistant enrollment documents to the Employer of Record within three (3) Business Days of receipt of the request for services. The enrollment documents shall be pre-populated, to the maximum extent possible, and available for web-portal submission. The packet shall also be posted on the Contractor's website and available in hard copy. All postage costs for hard copy packet distribution and packet returns by Personal Care Assistants to the F/EA shall be borne by the Contractor. The Personal Care Assistant enrollment documents shall be presented in a format that is easily understood. At a minimum, the packet shall contain the following:

- a. An introductory letter identifying the employment process.
- b. Information about Contractor services and operations (F/EA roles and responsibilities, hours of operation, Customer Service toll-free number, contact information, and Complaint and Grievance process)
- c. Information regarding the roles of the F/EA, EOR, and the Employee
- d. Description of the requirements a new employee must adhere to before he/she will officially be enrolled.
- e. Information on background checks and employment eligibility requirements including barrier crimes, the Child Abuse and Neglect Central Registry, and the federal List of Excluded Individuals and Entities (LEIE).
- f. All applicable federal employment eligibility, tax, and related forms that the Employee must complete, sign, and submit with accompanying instructions minimally including: USCIS I-9, US Citizenship and Immigration Services Form; IRS Form W-4, Employee Withholding Allowance Certificate; IRS Notice 797, Possible federal Tax Refund Due to Earned Income Credit; and Federal Tax Exemption form.
- g. All applicable state forms that the employee must complete sign, and submit with accompanying instructions minimally including: VA-4, Virginia Employee Withholding Exemption Certificate; and criminal and child protective services background check forms.
- h. F/EA forms (Employer-Employee Employment Agreement; form to disclose the employee's relationship to the employer per IRS Publication 15-Circular E; Timesheets; payroll schedule; direct deposit and debit card applications; address change; and other applicable consent and agreement forms).
- i. Description of payroll periods; timesheet due dates; errors to avoid a delay in processing a timesheet; what to expect if the timesheet arrives after the payroll cut-off date; and timelines for timesheet processing and payroll distribution.

- j. Description of how the employee will be notified in the event of errors causing a Timesheet to be rejected or pended.
- k. Implement a system and make available an optional online enrollment services for Personal Care Assistants.
- l. EVV requirements.

- 4.5.2** The Contractor shall have procedures and timelines for following up with Personal Care Assistants who have submitted employment documents that are incomplete or contain errors.
- 4.5.3** If a complete and correct packet is received prior to Service Authorization, the packet shall be processed pending notification of Service Authorization.
- 4.5.4** The Contractor shall have a system and policies and procedures for verifying Personal Care Assistants Social Security Numbers and maintaining documentation in the Employee's file.
- 4.5.5** The Contractor shall have a system and policies and procedures for reporting new hires per Virginia requirements.
- 4.5.6** The Contractor shall have a system, policies and procedures, timelines, and internal controls to distribute, collect, and process all information contained in employee's enrollment packets and maintain copies in each employee's file. DMAS will approve all changes to employment information prior to F/EA implementation.
- 4.5.7** DMAS will review, for approval all changes to employment information packets prior to F/EA implementation and any subsequent changes post implementation.
- 4.5.8** **Performance Standard:** 95% of complete and correct employment hire packets shall be successfully processed, including Contractor submission of all background check requests, and entered into the F/EA database within three (3) Business Days of receipt.
- 4.5.9** The Proposal shall include: a copy of the Offeror's employee hire packet and onboarding process performance data for December 2016 and January 2018. Data shall include the number of employee new hire document packages received and number and percent successfully processed on a weekly and monthly basis for a contract that most closely approximates Virginia's hiring statistics provided in this RFP.

4.6 **CONNECTIVITY WITH DMAS AND FISCAL AGENT SYSTEMS**

- 4.6.1** The Contractor must establish and maintain the ability to exchange EDI transactions

with DMAS and DMAS' fiscal agent. These transactions may include, but are not limited to the following:

- a. 837P – Payroll encounter data and Criminal and Child Abuse and Neglect Background claims data submissions.
- b. 835 – Remittance for payments associated to 1) monthly PMPM vouchers with adjustments for any performance penalties assessed within the corresponding PMPM payment, 2) criminal and child abuse and neglect background claims, and 3) payroll payments reimbursement.
- c. 270/271 – System of record Medicaid Individual eligibility requests and responses

4.6.2 All EDI transactions must comply with current DMAS and industry standards (version 5010 version with addenda), and where applicable, are required to meet the HIPAA Security standards for electronic PHI.

4.6.3 The Contractor shall comply with all technical procedures and coding requirements as documented in the Virginia DMAS EDI Companion Guide for the Professional Health Care Claim or Encounter.

4.6.4 The Contractor must be able to transfer and receive files via secure File Transfer Protocol (FTP).

4.6.5 The Contractor must submit and pass a testing phase for all electronic transactions before production files will be allowed to be posted or retrieved.

4.6.6 The Contractor must be able to test and implement updates and changes to the ANSI guidelines, as they are published. The Contractor shall upgrade to subsequent versions of this format, as specified by DMAS, at the Contractor's expense.

4.6.7 DMAS shall provide the Contractor with advance notice prior to the date of implementation of any revisions.

4.7 BACKGROUND CHECKS, SERVICE AUTHORIZATION, ELIGIBILITY VERIFICATION AND PATIENT PAY

Background Checks

State and federal laws and regulations require prospective Personal Care Assistants to pass background checks. Background checks include Virginia State Police Criminal Background Checks; Virginia Department of Social Services Child Abuse and Neglect Central Registry checks; and the federal List of Excluded Individuals and Entities (LEIE) database checks.

4.7.1 Background checks conducted by the Contractor are required at the time of initial employment, re-employment by the same employer, and employment by another Medicaid EOR. Personal Care Assistants may work and be paid for services for up to 30 days pending the results of criminal and child abuse and neglect background checks. Personal Care Assistants must be terminated from employment and are prohibited from receiving

payment effective the date of discovery of a barrier crime or a founded complaint by the Virginia Department of Social Services Child Abuse and Neglect Central Registry by the Contractor.

The *Code of Virginia* identifies barrier crimes prohibiting employees from receiving Medicaid funds for their services if they have been convicted of specified crimes. The Code of Virginia also prohibits employees from providing services to a minor if their name is listed in the Child Abuse and Neglect Central Registry. Barrier crimes for the CCC Plus waiver and EPSDT services, are found at § [32.1-162.9:1](#) of the *Code of Virginia*. Barrier crimes for the CL and FIS waivers are found at § [37.2-416](#) of the code of Virginia.

4.7.2 The U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG) prohibits persons that have been convicted of fraud of a state or federal agency; or who have been debarred, suspended, or otherwise excluded from participating in federal health care programs, as listed in the federal List of Excluded Individuals/ Entities (LEIE) database. This database can be accessed at http://www.oig.hhs.gov/fraud/exclusions/exclusions_list.asp.

Excluded Personal Care Assistants must be terminated from employment and are prohibited from receiving payment effective the date of discovery by the Contractor.

4.7.3 The Contractor shall have a system; policies and procedures, including timeframes; and internal controls for processing all required employee background checks that minimally includes:

- a. Weekly criminal, child abuse and neglect, and federal LEIE database background checks for prospective employees.
- b. Monthly LEIE database checks for all employees.
- c. Maintaining results in each employee's file and in the employer and/or employee's web portal self-service account.
- d. Written notification to the employer, upon discovery, when the results of the background check disqualify the employee from employment.
- e. Blocking the employee in the F/EA payroll system from receiving payment effective the date that findings are received by the Contractor.
- f. Immediate notification to DMAS of employees with LEIE database matches.
- g. Written notification - to the employer and employee with copies to the Services Facilitator and DMAS of LEIE disqualification upon discovery. Failure to disclose the required LEIE information accurately, timely, and in accordance with federal and contract requirements may result in termination of this contract.
- h. LEIE process upon HHS -OIG reinstatement.
- i. Aggregate background check results provided to DMAS.

4.7.4 Medicaid Individuals or their employees shall not be charged for the costs of background checks. For individuals receiving CD services paid by DMAS, the Contractor shall enroll with DMAS as a provider for reimbursement of the exact fees paid by the Contractor to the Virginia State Police for criminal record checks and to the Virginia Department of Social Services for Child Abuse and Neglect Central Registry checks. The Contractor shall submit electronic claims in the Department's system of record for reimbursement of criminal records and child abuse and neglect background check fees.

4.7.5 The Contractor shall electronically transmit to DMAS' system of record fiscal agent claims data on all Criminal and Child Abuse and Neglect Background checks for adjudication that will result in paid and denied services. The data transmitted shall be submitted using the X12 837P, version 5010 with addenda, as well as conform to any additional specifications identified by DMAS. DMAS will provide a Companion Guide containing information on how data elements in the 837P transaction are used and how information shall be processed.

4.7.6 The Contractor shall be able to test and implement updates and changes to the ANSI guidelines as they are published. The Contractor shall upgrade to subsequent versions of this format, as specified by DMAS, at the Contractor's expense. DMAS will provide the Contractor with a minimum of 60 calendar days advance notice prior to the date of implementation of any revisions.

4.7.7 Claims data received from the Contractor will be assigned a Media Control Number (MCN) and shall be processed by the DMAS' system of record. The system of record processing applies a series of edits in order to verify the integrity and/or quality of the submitted claim data. DMAS will provide the Contractor with a reconciliation report, in both summary and detailed errors identifying the type of edits assessed. The Contractor shall correct previously paid claims using the standard 837P adjustment and reversal transactions within 60 days of the original payment paid date.

4.7.8 The Contractor shall be integrated into the Department's system of records database and participate in testing and/or certification audits to ensure that its claim data meets DMAS' requirements.

4.7.9 Claim files with HIPAA defined level 1 or level 2 errors in the ISA, GS, GE, or ISE records will be rejected and a negative 999 sent back to the submitter. The entire file must be resubmitted after the problem is fixed. Files with HIPAA defined level 1 or level 2 errors inside a ST-SE loop will be rejected and a negative 999 will be sent back to the submitter identifying the loop. Any other ST-SE loops, which do not have level 1 or level 2 errors, will be processed. Only the rejected ST-SE loops should be resubmitted after fixing the problem. Errors on rejected files or ST-SE loops must be corrected and resubmitted within 30 days of the date rejected.

4.7.10 Service Authorization: The Contractor shall electronically receive Service Authorizations (SAs) from DMAS, on a schedule to be determined by the Department for Consumer-Directed Services. These SAs are the authorization to inform the Contractor of approved services for the Medicaid Individual to receive Consumer-Directed Services or that existing services have been canceled, modified, or ended.

4.7.11 The Contractor shall use the SAs for the authority to begin or end related services for the Medicaid Individual. The data record and file transmission procedures will be finalized with the Contractor after contract award. Testing will need to occur prior to and during contract implementation to ensure that files can be received and processed, as required by DMAS.

4.7.12 The Contractor shall have an automated system in place for receiving, verifying, and maintaining up-to-date Medicaid Individual Service Authorization hours and service dates for personal care, respite care, and companion care

4.7.13 The Contractor shall have payroll system edits, policies and procedures, and internal controls to ensure that payment is not made for services provided to ineligible individuals or for services that are not authorized.

4.7.14 The Contractor shall not make payment to employees or invoice DMAS, for services provided to ineligible individuals or for services that are not authorized.

Eligibility Verification

4.7.15 The Contractor shall submit and accept eligibility requests and responses (Batch 270 and 271) that are needed to verify the individual's eligibility before submitting vouchers associated to timesheet payments for employees.

4.7.16 The Contractor shall ensure that eligibility requests and responses are used to verify Timesheets are eligible for hours billed. The eligibility requests shall be submitted on a schedule that is agreed upon by the Contractor and the Department.

4.7.17 The Contractor shall verify the validity of all Timesheets based on the individual's eligibility prior to submitting vouchers to the Department. DMAS will provide the Contractor with advance notice prior to the date of implementation of any changes in access or format.

4.7.18 The Contractor must submit and pass a testing phase for all eligibility requests and responses (Batch 270/271 electronic transactions) before production files will be allowed to be submitted or retrieved.

4.7.19 The Contractor may verify eligibility via the Automated Response System (ARS) application on the Department's system of record Web Portal or the Contractor shall have access to the Virginia Member Eligibility Verification System via telephone. These applications allow the Contractor to access real-time eligibility data for Medicaid Individuals, as needed.

Patient Pay

Four percent of Medicaid Individuals enrolled in Consumer-Directed Services, have Patient Pay responsibilities, for services received, as determined by local Department of Social Services. Patient Pay amounts are the amount of employee's wages the individual is obligated to pay each month. The average Monthly Patient Pay amount is \$221. Patient Pay is a "second source" of payment that is reported as income on the Employee's W-2 and deducted from the Employee's net, not gross, wages.

4.7.20 The Contractor shall accurately deduct Patient Pay amounts from employee's paychecks in the pay period that includes the first day of each month. The total Patient Pay amount shall be deducted from the employee's pay before Medicaid funds are used to pay for services. If the Patient Pay deduction generates a zero or negative net earnings, the Contractor shall issue a payroll stub indicating the number of hours worked, deductions, and net earnings.

4.7.21 The Contractor shall have a system, policies and procedures and internal controls

for deducting the total amount of Patient Pay. when multiple employees are being paid for services. provided to the same Medicaid Individual. This system shall include a process to determine the sequence of deductions for individuals with multiple employees.

4.7.22 The Contractor shall have a process to communicate to the employer and employee the amount of Patient Pay the individual is required to pay the employee. Patient Pay information shall be incorporated into the employer and/or employee's web portal self-service account(s).

4.7.23 Testing of patient pay data records and file transmission procedures will need to occur prior to and during contract implementation to ensure that files can be received and processed, as required by DMAS.

4.7.24 Encounter data received from the Contractor will be assigned an Encounter Processing Solution (EPS) Transaction Control Number (TCN) and shall be processed by DMAS' EPS. The system of record processing applies a series of compliance and validation rules in order to verify the integrity and/or quality of the submitted encounter data. DMAS will provide the Contractor with Standard EDI and associated EPS reconciliation reports, in both summary and detailed errors identifying the validation results and type of validation rules occurring.

4.7.25 Encounter data will be validate for HIPAA Level 1 4 errors to determine if the entire file submitted or individual transactions submitted fail compliance. Any non-compliant file or transactions will be rejected and sent back to the contractor to correct. Since the payroll encounters are used to formulate the payment reimbursements for payroll services, the rejected file/transaction must be addressed and returned for processing within same payroll cycle payments are being requested for. Standard X12 EDI 999 and other response reports/files will be available to the contractor immediately upon the processing of files submitted. These will be available to the contractor via the EPS Web Portal and/or available for downloads from the DMAS EDI gateway.

4.8 WITHHOLDINGS AND REPORTING

The Contractor shall have a system, policies and procedures, timeframes, and internal controls for the following:

4.8.1 Withholding taxes and filing IRS Form 941, *Employers Quarterly Federal Tax Return* and IRS Form 941 Schedule R, *Allocation Schedule for Aggregate Form 941 Filers or Report of Tax Liability For Semi-weekly Schedule Depositors Schedule B* (as applicable depending upon required deposit frequency) in the aggregate, with its separate FEIN for all individuals it represents and maintain a copy of each IRS form filed in the Contractor's files.

4.8.2 Paying FICA and federal income tax withholding in the aggregate for all individuals it represents using the Contractor's separate FEIN and for maintaining relevant documentation in the Contractor's files.

- 4.8.3** Withholding and filing IRS Form 940, Schedule R, to pay FUTA in the aggregate in an accurate and timely manner and maintain relevant documentation in the Contractor's files.
- 4.8.4** Paying FUTA in the aggregate, per IRS depositing rules, and for maintaining relevant documentation in the Contractor's files.
- 4.8.5** Obtaining individual (employer) registration numbers for State income and unemployment tax withholding; and payment, and retiring registration numbers when the individual is no longer an employer; and maintaining relevant documentation in the Contractor's files.
- 4.8.6** Withholding and filing State income tax withholding for all Employees, per State requirements, and for maintaining relevant documentation in the Contractor's files.
- 4.8.7** Paying State income tax withholding, in the aggregate, using the Contractor's Fiscal/ Employer Agent State Withholding Account Number per State requirements and maintaining relevant documentation in the Contractor's files.
- 4.8.8** Withholding and filing State unemployment insurance for each individual it represents per Virginia Department of Labor and Industry requirements and maintaining relevant documentation in the Contractor's files.
- 4.8.9** Paying State unemployment taxes, in the aggregate, using the F/EA's Employer Agent State Withholding Account Number for each individual per Virginia Department of Labor and Industry requirements and maintaining relevant documentation in the Contractor's files.
- 4.8.10** Managing all garnishments, levies and liens on employee's payroll checks in an accurate and timely manner, as permitted by the *Code of Virginia* and in accordance with Virginia Department of Labor and Industry requirements and maintaining relevant documentation in the Employee's files.

The Contractor may assess administrative fees to employees limited to child support, judgment debtor garnishment summons, and tax liens as permitted by the Virginia Department of Labor and Industry fee schedules.

- 4.8.11** All federal tax deposits shall be made by electronic funds transfer per IRS requirements
- 4.8.12** The Contractor shall provide DMAS with a list of state and federal tax rate changes prior to implementation and have a system, policies and procedures, timelines, and internal controls including Quality Assurance and payroll data testing of all impending tax rate changes, prior to the effective date, to ensure accuracy.
- 4.8.13** The Contractor shall have a system, policies and procedures, timelines, and internal controls for the investigation and resolution of uncashed or cancelled (voided) checks as required by §55-210.1 - §55-210.30 of the *Code of Virginia* and federal regulations (42 CFR §433.30). The Contractor shall ensure due diligence

is exercised.

Checks that have not been cashed and that cannot be resolved within 180 calendar days of issue shall be reportable under 42 CFR §433.30. The Contractor shall submit to DMAS a list of checks reportable under 42 CFR §433.30, including due diligence dates and actions, at the end of each calendar quarter along with the funds associated with these checks.

4.8.14 Performance Standard: 100% of Federal IRS Forms 940 and 941 shall be accurately filed and paid within IRS timelines.

4.8.15 Performance Standard: 100% of Virginia Department of Taxation Form VA-5 shall be accurately filed and paid within thin DOT timelines.

4.8.16 Performance Standard: 100% of Virginia Employment Commission Forms FC-20 and FC-21 shall be accurately filed and paid within Virginia Employment Commission timelines.

4.8.17 Performance Standard: 100% of all garnishments, levies, liens and refunds shall be set up and accurately deducted or refunded within the timelines established by the *Code of Virginia* and Virginia Department of Labor and Industry.

4.9 END OF YEAR TAX PROCESSES

The Contractor shall have a system, policies and procedures, timeframes, and internal controls for the following:

4.9.1 Identifying employees due FICA refunds, determining their current mailing address, and refunding FICA to applicable Employees who did not earn the required annual gross wage amount for which employer and employee FICA is required to be calculated, withheld, and deposited for Personal Care Assistants, per IRS requirements; and maintaining relevant documentation in the Contractor's files.

4.9.2 Refunding the employer portion of annual, over collected FICA to DMAS immediately following the F/EA's refund, for overpaid taxes, from the IRS each April. Relevant documentation shall be maintained in the Contractor's files.

4.9.3 Preparing, filing, and distributing IRS Form W-2, *Wage and Tax Statement*, for Employees per *IRS Instructions for Agents*; for electronic filing when processing 250 or more IRS Forms W-2s by January 31st of each year; and maintaining relevant documentation in the Contractor's file.

4.9.4 Preparing, filing and distributing IRS Form W-3, *Transmittal of Wage and Tax Statements*, in the aggregate for all individuals the Contractor represents per *IRS Instructions for Agents* and maintaining relevant documentation in the Contractor's files.

- 4.9.5** Preparing, filing, and distributing Form VA-6, *Employer's Annual or Final Summary of Virginia Income Tax Withheld Return*, and Form W-2, state copy, and maintaining relevant documentation in the Contractor's files.
- 4.9.6** Complying with all applicable state and federal laws and requirements for transferring employer and employee records and information to another Vendor F/EA as necessary.
- 4.9.7** The Contractor shall provide a copy of Annual FUTA Tax Returns, with proof of receipt of payment from the IRS on February 20th each year.
- 4.9.8 Performance Standard:** 100% of state and federal annual information returns shall be in compliance with IRS, Social Security Administration, and Virginia tax filing requirements.

4.10 RECONCILIATION

- 4.10.1** The Contractor shall provide Quarterly payroll registers and related financial and tax reports reconciling 1) estimated with actual payroll and tax expenses and 2) actual payroll expenditures to amounts billed to the Department (actual pay rates and taxes compared to billable rates) for the preceding quarter. This data will be reviewed by a third party accounting firm, contracted by the Department, culminating in a report of findings issued to the Department and Contractor.

The Contractor shall develop and successfully implement corrective action plans to rectify all payroll and tax reconciliation review findings that include: 1) accurate and timely refunds for needed adjustments i.e. amounts due to/from the Department .

The Payroll Register shall be submitted in an electronic file with no formatting of totals/subtotals, etc. and, at a minimum, shall include the following data fields:

Check Number
Check Date
Employee Name
Employee ID #
Medicaid Individual's Name
Individual's Medicaid ID #
Total Hours Worked
Gross Pay
Federal Withholding Tax
Medicare Tax (Employee and Employer) Social
Security Tax (Employee and Employer) Federal
Unemployment Tax
State Withholding Tax
State Unemployment Tax
DMAS-225 Patient Pay Amount
Garnishments
Other Categories Assigned by Contractor
Net Pay
Published Agency Pay Rate
Billable Rates (Approved by DMAS)

4.10.2 VEC-FC-21/20: The Contractor shall provide an electronic copy of the Employer's Quarterly Tax Report, including proof of funds received, by the Virginia Employment Commission. The data shall be broken down by Employer of Record and wages filed by the Employer of Record and Employee.

4.10.3 IRS form 941: Employers Quarterly Federal Tax Return: The Contractor shall provide an electronic copy of Form 941-Employers Quarterly Federal Tax Return, including proof of funds received, by the Internal Revenue Service and any amended returns.

4.10.4 Form VA-5: Employer's Return of Virginia Income Tax Withheld: The Contractor shall provide an electronic copy of Form VA-5 Employer's Return of Virginia Income Tax Withheld, with proof of funds received by the Virginia Department of Taxation.

4.10.5 Report of Penalties and Interest Incurred: The Contractor shall provide a report of all penalties and interest incurred on federal and state employer tax filings during the quarter that are not shown on the forms submitted. The report shall include an explanation of each charge and its disposition.

The Contractor shall provide a report of all penalties; interest incurred; and bank charges for stop payments, overdrafts, and other banking related fees assessed on the Consumer- Directed Services Payroll Bank Account.

4.10.6 Report of Uncashed or Cancelled Payroll Checks: The Contractor shall provide a Quarterly report of uncashed or cancelled (voided) payroll checks beyond a period of 180 calendar days from the issuance date including the amount refunded to DMAS.

4.10.7 Payroll Bank Account Statements and Bank Reconciliations: The Contractor shall provide copies of the Consumer-Directed Payroll Bank Account statements (pdf file), bank reconciliations, and check register for the Quarter in electronic format with no formatting of totals, subtotals, etc. The check register shall minimally provide the check date, check number, payee, document type, document number, account type, account number, description of the payment, amount, cleared amount, and status. Copies of the cleared checks reports for the Quarter shall also be provided.

4.10.8 Contractor Reconciliation Reports and Refunds Schedule:

The table below identifies reconciliation reports and refunds to the Department including due dates. These reports and refunds shall be submitted following completion of federal and state tax filing requirements and schedule.

4.10.8 Contractor Reports and Refunds	Quarter Ending	Contractor Report & Refund Due
Quarterly Payroll Register	Mar 31	May 20
Quarterly Payroll Tax Reconciliation Summary	Jun 30	Aug 20
IRS Form 941	Sep 30	Nov 20
VA-5	Dec 31	Feb 20
VEC-FC-21/20		

Monthly Bank Statements for the Quarter	Mar 31	May 20
Monthly Bank Reconciliations for the Quarter	Jun 30	Aug 20
Quarterly Check Register	Sep 30	Nov 20
Monthly Cleared Checks Reports for the Quarter	Dec 31	Feb 20
Listing of Uncashed and Cancelled (Voided) Checks over 180 days from Issue Date		
Employer Tax Filing Penalties & Interest Incurred Report & refund ¹		
Amounts due to (from) DMAS from Contractor's Payroll Tax Reconciliation Report ²	Mar 31	May 20
Refund due to DMAS for Uncashed and Cancelled (Voided) Checks over 180 Days from Issue ³	Jun 30	Aug 20
Report and refund to DMAS or proof of credit to the CD-Services Payroll Payment Account for bank penalties and interest incurred ⁴	Sep 30	Nov 20
	Dec 31	Feb 20
Copy of the Annual FUTA Tax Return with proof of receipt of payment from the IRS.	Annual	Feb 20
Refund, to DMAS, for employer portion of annual, over collected FICA immediately following F/EA's refund, for overpaid taxes, from the IRS ⁵	Annual	April
Notes 1-5 Contractor shall send amounts due to the DMAS Contract Administrator with a check made payable to: Department of Medical Assistance Services. The check shall be accompanied by a letter of explanation and copy of the summary report that matches the total amount of the check.		

4.10.9 Performance Standard: 100% of Quarterly and end-of-year payroll, tax reconciliation reports shall be complete and provided to the Department within the timelines specified in the RFP.

4.10.10 Performance Standard: 100% of Quarterly and end-of-year payroll and tax reconciliation refunds shall be returned to the Department within the timelines specified in the RFP.

4.11 STAYING UP-TO DATE WITH FEDERAL AND STATE RULES AND REGULATIONS REGARDING VENDOR FISCAL/EMPLOYER AGENTS AND HOME CARE SERVICES RECIPIENTS (EMPLOYERS) AND EMPLOYEES

4.11.1 The Contractor shall have a system, policies and procedures and internal controls for staying up-to-date with all federal and state labor and tax rules and regulations related to the provision of F/EA services; Home Care Services Recipients (Employers) and their Employees (domestic service employees) and Medicaid Individuals enrollment in Consumer-Directed Waiver Services including, but not limited to:

- IRS forms, instructions, notices, and publications related to withholding, filing, and paying federal income tax withholding and unemployment taxes including requirements related to Home Care Service Recipients and their domestic service employees
- State income tax withholding forms, instructions, notices, and publications
- State unemployment insurance forms, instructions, notices, and publications
- U.S. Citizenship and Immigration Employment Eligibility verification forms,

- instructions, notices, and publications
- e. Pertinent State and Federal Department of Labor rules, forms, instructions, notices and publications including requirements related to Home Care Service Recipients and their domestic service employees
- f. Virginia New Hire Reporting
- g. Virginia and CMS Unclaimed Property
- h. State and federal background checks
- i. Virginia garnishment, levies, and liens requirements
- j. HIPAA
- k. Electronic data security
- l. Electronic files and data transmission
- m. Records management and retention rules and regulations

4.11.2 The Contractor shall have a system in place policies and procedures and internal controls to respond to any changes in federal and state tax and labor rules and regulations and Department policies in a timely and accurate manner; and have a process in place to ensure that all staff remains up-to-date on federal, state, and Department rules, regulations and policies.

4.11.3 The Contractor shall have in place a system, policies and procedures, and internal controls to ensure that all federal, state, and Department information and forms posted on the Contractor's website, distributed externally, and utilized internally by the Contractor are up-to-date and reflect current federal and state tax and labor requirements and Department requirements.

4.12 ESTABLISH AND MAINTAIN TELEPHONE CALL CENTER

The Contractor shall provide and maintain a Call Center for Virginia F/EA Services using a dedicated toll-free telephone number. The Call Center is not required to be within the borders of the Commonwealth of Virginia; the Call Center is required to operate within the U.S. borders. The Contractor must provide the capacity for the Department to monitor calls remotely, in real time, from DMAS offices at no cost to the Department. The Offeror's proposal must include a description of methods to enable the DMAS' Contract Monitor(s) to perform routine monitoring of calls covered under the contract resulting from this RFP.

The Call Center shall operate 8:00 A.M. to 6:00 P.M. EST Monday- Friday except federal holidays; and have the capacity for IVR automated response to caller inquiries and timesheet and payroll inquiries 24 hours per day, 7 days a week. The Department may change the hours of operation as mutually agreed upon with the Contractor based on call volume and busy hours.

4.12.1 The Contractor shall provide an administrative telephone number that will enable DMAS staff to reach the Project Director and key staff directly without going through the Call Center staff.

4.12.2 The Contractor shall install, operate, monitor, and support an automated call distribution system sufficient to handle all required activities as indicated in this RFP. The Contractor agrees to relinquish ownership of the toll-free number upon contract termination. The Call Center toll-free number shall be established in such a way that DMAS' continued use of such toll-free number shall not be interrupted, impeded, or cost DMAS any additional

funds should DMAS wish to continue use of the toll-free number in the event the contract is terminated or expires on its own terms.

4.12.3 The Contractor shall be responsible for all costs associated with the toll-free number during the term of the contract as well as for all costs accrued or due and owing as of the date of termination or expiration of the contract, including but not limited to, any taxes, penalties or fines.

4.12.4 The Contractor shall create and maintain a database that includes documentation of all inbound and all outbound calls. The Contractor must have a system that records 100% of inbound calls received and 100% of outbound calls made by call center staff.

4.12.5 All data contained within the Contractor's database is the property of the Department and shall be provided to the Department upon contract termination or expiration and upon request.

4.12.6 Performance Standard: 100% of data for all inbound and outbound calls shall be maintained within a database and available to the Department upon request.

4.12.7 Data Elements The Contractor Shall maintain an electronic database with up-to-date Call Center data that includes, but is not limited to, the following data elements:

Call Center:

- Number of Calls Received
- Number Answered Calls
- Call Answer Time
- Call Subjects
- Outbound Calls (Voice and IVR)
- Voice Mails Received
- Voice Mail Return Calls
- Return Call Requests
- Abandoned Calls
- Queue Wait Time
- Service Factors
- Talk Time
- First Call Resolution
- Escalated Calls

All Contractor data systems shall be integrated; capable of retrieving data on short notice; accessible by the Department; and enable Contract Monitors to run reports, as necessary.

4.12.8 Communication and Language Needs

The Contractor shall ensure that varying communication and language needs are addressed. This applies to all non-English speaking individuals and is not limited to prevalent languages. Translation services must be accessible via the toll-free number and accessible to callers without having to make an additional call, enabling a three-way conversation with the language line. The caller shall not be charged a fee for translator or interpreter services.

4.12.9 The Contractor shall provide a sufficient number of properly functioning toll-free Voice and Telecommunication Device for the Deaf (TDD/TTY) (telephone typewriter or teletypewriter) telephone numbers/lines (in-state and out-of-state) for parties to call for services described in this RFP.

The Virginia Relay Service for the Deaf and Hard-of-Hearing must be used when appropriate.

4.12.10 Telecommunications System

Call Center performance is critical to the success of Consumer-Directed Services, the Contractor's telecommunication system must have sufficient capacity to meet the Department's needs including all Call Center performance standards specified in this RFP. This capacity must be scalable (both increases and decreases) to future demands.

4.12.11 The Call Center shall maximize the use of technology through an Interactive Voice Response (IVR) System that is consistent with industry standards for telephone and call monitoring systems; is flexible and customizable to meet dynamic customer needs; and is integrated with the Contractor's payroll and data management systems.

4.12.12 The IVR system shall: enable 24/7 caller access to timesheet and payroll information; have call recognition software to securely identify the caller; have a call routing solution including call prioritization, assignment, and escalation to a customer service representative; enable automated outbound calls to individuals and employees; have digital Voice Recording Technology for Quality Assurance; have live call monitoring capacity; have the capability to collect customer service data at each decision point; have a comprehensive queue management solution; and have the capability to produce reports required by this RFP and the Department. The IVR system may also have 24/7 access to enrollment status information and a virtual queuing option.

4.12.13 The Contractor shall:

- a. Provide a sufficient number of properly functioning toll-free and Voice/TTY telephone numbers (in-state and out-of-state) for Medicaid Individuals, their employees, or Services Facilitators to call and request information or services described in this RFP. Callers shall not incur charges for placing calls other than those applicable for local calls.
- b. Ensure that there is a back-up telephone system in place that will operate in the event of line trouble or other problems so that access to the toll free-line is not disrupted. The Department shall be notified within 15 minutes of becoming aware of any system failure and when all systems are restored.
- c. Have the capacity to handle all telephone calls at all times during the hours of operation and upgrade ability to handle all additional call volume. Any additional staff or equipment needs, including the cost of addressing such needs, shall be the responsibility of the Contractor.
- d. Effectively manage all calls received by the automated call distributor (ACD) and assign incoming calls to available staff in an efficient manner.

- e. Have the telecommunications capability for real time monitoring of telephone calls for customer service skills and accuracy of responses. Staff performance deficiencies must be addressed immediately. The Department may audit the Call Center for monitoring and quality improvement purposes at any time including on-site or remote monitoring.
- f. Provide real time information on Call Center performance.
- g. Design and implement call tracking and reporting including an electronic record to generate a synopsis of all calls and to provide a complete audit trail of communication to the Call Center from all parties.
- h. Provide complete on-line access to the Department to all computer files and databases supporting the Call Center system.
- i. Develop, maintain, and ensure compliance with Medicaid confidentiality procedures/policies, including HIPAA requirements, within the Call Center.
- j. Provide a greeting message and educational or informational messages approved by the Department while callers are on hold.
- k. Install and maintain telephone lines in a way that allows calls to be monitored by a third party, including DMAS, for the purposes of evaluating Call Center performance and include a message informing callers that monitoring is occurring. Call monitoring by a third party, for accuracy and quality of information, shall be available at the Call Center location and remotely. Administrative lines shall not be recorded.
- l. Implement a system including data elements for complete real-time electronic verification and documentation of timesheet submissions.
- m. Have a telephone system that includes a comprehensive queue management solution including voice mail, return call options or after business hours answering service capability to answer calls received after hours or overflow calls from the queue.
- n. Make referrals, as necessary, to Contractor staff having DMAS' system of record access to respond to inquiries requiring specialized assistance.
- o. Provide all Call Center scripts to the Department, for approval, prior to implementation.

4.12.14 Voice Mail

The Contractor shall utilize a Call Center voice mail system for the receipt of incoming calls received after established business hours or overflow calls from the queue. The voice mail system shall: have sufficient capacity to allow callers to leave a detailed message; have an outgoing message recorded in both English and Spanish; and provide prompts to remind callers to leave their name, telephone number, identification number, and the best time to return their call. All voicemail scripts shall be submitted to the Department for approval prior to implementation. The voicemail system shall be connected to the ACD system and shall be automatically activated during business hours if all customer service representatives

are logged off due to an emergency.

4.12.15 The Contractor shall return calls left on the after-hours voice-messaging service no later than close of business on the next Business Day following the day the message was left. In the event the caller cannot be reached or a message left, the Contractor shall make, at a minimum, 1 additional attempt to return the call. All incoming voicemail calls and outbound return calls shall be documented in the Contractor's database for tracking and disposition.

4.12.16 Call Center Staffing

The Contractor shall ensure that telephone staff treat all callers with dignity and respect; are knowledgeable of Consumer-Directed Services- and related Virginia Medicaid policies and protocols; and can communicate effectively with a diverse population of individuals of all ages with disabilities and chronic conditions. Telephone staff shall greet the caller and identify themselves by name when answering. All communications shall respect the caller's right to privacy and confidentiality.

4.12.17 The Contractor shall employ and train a sufficient number of qualified staff, including management, supervisory and customer service representatives to meet Call Center performance standards and service levels consistent with the requirements of this RFP and make necessary staffing level adjustments to meet call volume during peak periods and staff absences. The Contractor shall employ strategies to retain experienced, full-time staff and minimize reliance on temporary staff in order to effectively maintain Call Center operations. All costs for staffing adjustments shall be borne by the Contractor.

4.12.18 The Offeror shall provide a functional organizational chart of the proposed Call Center structure and organization including lines of authority and number of proposed FTE's by position. The successful Contractor shall update the staffing plan when there are significant staff changes and on an annual basis.

4.12.19 The Contractor shall annually submit its training plan for new and experienced Call Center staff including cross-training, content, materials, delivery methods, frequency, and length of training to the Department.

4.12.20 The Contractor shall have an internal Quality Assurance (QA) plan and system in place, with documented policies and procedures and internal controls, to perform quarterly Call Center operations reviews. The QA plan shall include sampled calls and performance analysis to determine the quality of Call Center responses to inquiries; management of call volume; and QA results compared to contract performance standards and RFP requirements.

4.12.21 The Technical Proposal shall include a copy of the Call Center's training plan.

4.12.22 The Technical Proposal shall include a copy of the Call Center's Quality Assurance Plan and quarterly results for the quarter immediately preceding the RFP issue date for a contract of similar size and scope to that required by this RFP.

4.12.23 Call Center Performance Standards

The Contractor is responsible for providing sufficient staff, facilities, and technology to meet contract performance standards:

- a. **Performance Standard:** 100% of the time the Call Center telecommunication systems shall be fully accessible and functional during RFP prescribed business hours measured on a monthly basis.
- b. **Performance Standard:** 95% of inbound calls shall be answered within 3 rings or 15 seconds. (If an automated voice response system which places the call in queue is used at the time of the initial call, an option must exist allowing the caller to speak directly with an operator.)
- c. **Performance Standard:** 100% of voice mails, call back requests and phone inquiries requiring a return call shall be returned within one (1) Business Day of receipt measured on an average weekly basis.
- d. **Performance Standard:** 95% of abandoned calls shall not exceed 5% of incoming calls, regardless of queue placement and shall be measured on an average weekly basis.

Abandonment rates shall be measured at 3 minutes after the call is received. The abandonment rate shall be the number of calls abandoned, minus abandoned under 3 minutes, divided by incoming calls. The abandonment rate reports shall differentiate abandoned calls before and after 3 minutes.

- e. **Performance Standard:** Queue wait time shall not exceed 5 minutes for 95% of incoming and transferred calls, measured on an average weekly basis.

Queue wait time should not exceed 5 minutes regardless of queue placement and shall be measured at the point the caller is placed in the queue.

4.12.24 The Contractor shall notify the Department of any variances from the Call Center contract requirements in this RFP and shall provide a written corrective action plan addressing any deficiencies at the time of the notice.

4.12.26 Call Center Reporting

Call Center reports shall provide detailed weekly, monthly, quarterly, and annual data. Data shall be cumulative and reflect trends through the use of tables, charts or graphs.

Call Center reports shall: measure contract performance standards; be submitted weekly for the first three months of implementation and, thereafter on a schedule to be determined by the Department; and include, but not be limited to, the following:

- Number of incoming calls
- Number and percent of calls received by subject
- Number of calls routed to voice mail box , return call requests Percentage of calls returned within one (1) Business Day
- Number and percent of answered calls
- Average speed to answer
- Average and maximum talk time
- Number of outbound calls (voice and IVR automated)

- Number and percent of calls abandoned, average time to abandon, maximum abandonment times
- Number of calls in the queue, average queue wait time, maximum queue wait time
- Number and percent of first call resolutions
- Number and percent of escalated calls beyond the customer service representative
- Call Center, telephone lines and IVR systems malfunctions, inaccessibility, and downtime
- Ad Hoc reports as requested by the Department

4.12.27 The Technical Proposal shall include a copy of the Offeror's Call Center's weekly performance data for December 2016 and January 2018 for a contract that most closely approximates Virginia's Call Center statistics provided in this RFP. Performance data shall include the data specified in the RFP.

4.13 COMPLAINT AND GRIEVANCE MANAGEMENT

4.13.1 The Contractor shall be responsible for receiving, tracking, and responding to all Complaints and Grievances about the Contractor's services from any source under this contract.

4.13.2 The Contractor shall attempt to respond verbally to complaints within one (1) Business Day of receipt.

4.13.3 Grievances received by DMAS concerning the Contractor's services shall be referred to the Contractor for analysis and response. The Contractor shall draft a written response addressing all areas of the grievance; submit the response to DMAS for approval within the requested timeframes; and follow-up verbally with the complainant within the requested timeframes.

4.13.4 The Contractor shall have a process for expedited decisions and response within three (3) Business Days of receipt of the Grievance/Complaint.

4.13.5 The Contractor shall have a hierarchical protocol to address and resolve Complaints and Grievances that are within the Contractor's scope of responsibilities. The Contractor shall attempt to resolve escalated calls, Complaints, and Grievances within that hierarchical structure, including the Virginia Operations Office, before referring the caller to DMAS. Only calls that meet the criteria specified by the Department shall be referred to the Department.

4.13.6 The Contractor shall maintain an electronic log of all Complaints and Grievances, with documentation of the Complaint or Grievance and action(s) taken to resolve them. The Contractor shall analyze Complaints and Grievances to determine quality of services to Medicaid Individuals and needed quality improvements or corrective actions. The Contractor shall compile a monthly Complaint and Grievance report in accordance with the specifications and format approved by the Department. The report shall be submitted to the Department on a monthly basis.

4.13.7 Performance Standard: Monthly Complaints and Grievances combined shall not exceed 1% of the number of monthly active Medicaid individuals.

Grievance and Appeals

4.13.8 The Contractor shall have a system, policies and procedures, including timeframes, and internal controls for handling all Complaints and Grievances.

4.13.9 Medicaid Individual's Grievance to the Contractor

The Contractor shall have an internal Grievance process in place available to Medicaid Individuals who wish to file a Grievance or reconsider Adverse Actions. This process must assure that appropriate decisions are made as promptly as possible. The process shall include provisions for expedited decisions within 3 working days. The Contractor shall develop policies and procedures regarding the Grievance or reconsideration request process. These must be submitted for review and approval by the Department prior to implementation and upon revision. The Contractor shall also notify Medicaid Individuals in writing of their rights to Appeal Adverse Actions consistent with Department policies and regulations. The Contractor shall provide DMAS with Monthly reports indicating the number of Grievances and reconsideration requests received as well as the detailed analysis and disposition.

4.13.10 Medicaid Individuals Appeals to DMAS

Medicaid Individuals have the right to Appeal actions to the Department as described in 42 CFR §431.200 *et seq.* and the Virginia Administrative Code at 12 V.A.C. 30-110-10 through 370. The Contractor must notify individuals of their right to Appeal Adverse Actions directly to the Department for a fair hearing and provide the Department's address for Appeals. Upon receipt of notification of an Appeal by the Department, the Contractor shall prepare and submit an Appeal summary to the DMAS Appeals Division, the DMAS Contract Monitor, and the Medicaid Individual involved in the Appeal within DMAS required time frames. The Contractor shall comply with all State and federal laws and regulations and DMAS policies regarding the content and timeframes for Appeal summaries.

The Contractor shall attend and defend the Contractor's decisions at all DMAS Appeal hearings and conferences, whether in person or by telephone, as deemed necessary by the DMAS Appeals Division. Contractor travel and telephone expenses in relation to Appeal activities shall be borne by the Contractor.

4.13.11 Provider Reconsideration to the Contractor

The Contractor shall have a reconsideration process in place available to providers who wish to challenge adverse decisions. This process shall be a prerequisite to requesting a provider administrative Appeal to the DMAS Appeals Division. The process must assure that appropriate decisions are made as promptly as possible. The Reconsideration Decision shall advise the provider of its right to Appeal the Reconsideration Decision to DMAS and the appropriate timeframes for so doing. The Contractor, in response to this RFP, must submit its reconsideration process, including timelines, which allows for automatic review of those requests.

4.13.12 Provider Appeals to DMAS

Medicaid providers have the right to Appeal Adverse Actions to the Department, subject to a prerequisite Reconsideration Process. The Contractor must inform providers of their right to Appeal to the Department, the timeframes and the Department's address to be used for filing a Request for Appeal to the Department. For Appeals of Contractor actions filed by providers, the Contractor shall assist DMAS by presenting the Department's position during the administrative Appeals process. In addition to the required reconsideration process administered by the Contractor, DMAS has two levels of administrative Appeals for providers challenging an Adverse Action. These two levels are generally referred to as the informal level and the formal level. At the informal level, the Contractor prepares the written Appeal summary on behalf of DMAS and represents DMAS at an informal fact-finding conference conducted by a DMAS employee (the Informal

Appeals Agent), with the provider participating in person or by telephone, as determined by the Informal Appeal Agent. At the formal level, the Contractor assists the DMAS staff attorney in preparing the case summary and acts as a witness at the formal administrative hearing before a Hearing Officer appointed by the Virginia Supreme Court.

Upon the Department's receipt of a Request for Appeal from a provider, the Department will notify the Contractor and the Contractor shall prepare and submit Appeal summaries to the DMAS Appeals Division, the DMAS Contract Monitor, and the provider involved in the Appeal in accordance with required timeframes. The Appeal summary content and timelines are specified by regulations governing provider Appeals. The Contractor shall comply with all State and federal laws, regulations, and DMAS policies regarding the content and timeframes for Appeal summaries. The Contractor shall be financially responsible to DMAS for all judgments, interest, fees and costs incurred by DMAS as a result of the Contractor's failure to submit Appeal summaries within the required timeframe or with the required content.

The Contractor shall attend and defend the Contractor's decisions at all Appeal hearings and conferences, whether informal or formal, or whether in person or by telephone, or as deemed necessary by the DMAS Appeals Division staff. The Contractor's Medical Director shall be available, by telephone or in person, as determined by the Appeals Division staff, for conferences and hearings involving Adverse Actions taken on the basis of medical necessity. Contractor travel or telephone expenses in relation to Appeal activities shall be borne by the Contractor. The Contractor shall be financially responsible to DMAS for all judgments, interest, fees and costs incurred by DMAS as a result of the Contractor's failure to attend or defend the Contractor's decisions within required timeframes at all Appeal hearings or conferences.

4.14 PREPARING AND MAINTAINING A VENDOR FISCAL/EMPLOYER AGENT POLICIES AND PROCEDURES MANUAL

4.14.1 The Contractor shall have a current and comprehensive Policies and Procedures

Manual, available in electronic format, that includes all policies, procedures, and timeframes for performing and monitoring all Contractor tasks.

4.14.2 The Contractor shall submit a copy of the F/EA Policies and Procedures Manual to the Department for review and approval prior to the readiness review date. The Contractor shall not begin operations without an approved Policies and Procedures Manual.

4.14.3 The F/EA Policies and Procedures Manual shall be updated and submitted annually and whenever changes occur to federal or state tax or labor rules, Contractor operations, or DMAS policies affecting Contractor operations. All changes shall be timely and submitted for review and approval by the Department in advance of implementation..

4.14.4 The Policies and Procedures Manual shall be available to all Contractor staff and incorporated into orientation and training for all new and experienced staff.

4.15 MATERIALS AND COMMUNICATIONS FOR MEDICAID INDIVIDUALS

The Contractor shall design, produce, and distribute various types of materials necessary to provide information to Medicaid Individuals as agreed upon and required by the contract resulting from this RFP.

4.15.1 All materials and communications for Medicaid Individuals including form letters, mass mailings, system generated letters, communication scripts and educational materials, required or otherwise, shall require written approval by the Department prior to dissemination and shall be designed and distributed in accordance with the minimum requirements described in this RFP. Letters sent to individuals in response to an individual query do not require prior approval.

4.15.2 The Contractor shall ensure that all communications and materials, including educational materials, meet the following criteria:

- a. All materials and communications shall be worded at a 6th grade reading level unless approved otherwise by DMAS;
- b. All written materials shall be clearly legible with a minimum font size of 12pt unless approved otherwise by DMAS.
- c. All written material shall be printed with the assurance of non-discrimination on the grounds of handicap, and/or disability, age, race, color, religion, gender, or national origin;
- d. All materials for Medicaid Individuals shall be translated and available in Spanish. All documents designated by the Department must be translated and available to each Limited English Proficiency group identified by the Department as constituting 5% or more of the Department's population.
- e. All written materials shall notify Medicaid Individuals that oral interpretation is available for any language at no expense to them and advise them of the methods

to access those services.

- f. All written materials shall be made available in alternative formats for persons with special needs, at no expense to the individual, or appropriate interpretation services shall be provided by the Contractor.

4.15.3 The Contractor shall provide the Department with 1 electronic copy of each final communication product.

4.15.4 The Contractor shall provide written notice to Medicaid Individuals of any changes in the Contractor's policies or procedures described in the written materials previously sent to them. These written notices shall be provided at least 30 days prior to the effective date of change.

4.15.5 The Contractor shall not include the following on any written materials, including but not limited to educational materials, without the approval of DMAS:

- a. The Seal of the Commonwealth of Virginia
- b. The word "free" can only be used if the service is at no cost to all Medicaid individuals.

4.15.6 All costs associated with the labor, development and distribution, including mailing costs of materials and communications shall be borne by the Contractor.

4.16 MEETINGS

4.16.1 The Contractor shall conduct quarterly teleconference meetings for Services Facilitators to provide updates on the Contractor's services including changes to F/EA processes and systems; address user needs; respond to questions; and generate suggestions regarding service delivery. The Contractor shall issue a call for agenda items and prepare and distribute meeting agendas and minutes.

4.16.2 The Contractor shall provide quarterly and ad hoc reports to the Department on F/EA deliverables and activities.

4.16.3 The Contractor shall meet with the Department on at least a monthly basis, on a schedule determined by the Department, to review: Contractor performance including deliverables, milestones, and outcomes compared to performance standards; corrective actions; major systems or program operations modifications, including enhancements, delays or errors, DMAS policy, and other issues affecting Contractor deliverables. Contractor supervisory or management staff from all key operations areas shall participate in these teleconference meetings. The Contractor is responsible for developing agendas, conducting meetings, and recording and distributing minutes.

4.16.4 The Contractor may meet with the Department and the accounting firm, contracted by DMAS, to review the Contractor's quarterly payroll register. These meetings will occur quarterly on an as needed basis, as determined by the Department, to discuss any payroll register review findings and facilitate the Contractor's development and implementation of any needed corrective action plan to clear findings.

- 4.16.5** The Contractor shall participate in meetings with the Department or any other groups as necessary to meet the requirements outlined in this contract.

4.17 REPORTING REQUIREMENTS

4.17.1 Standardized Reports

The Contractor shall maintain data necessary to complete all reports specified in this RFP. For purposes of this Section, reports are defined as regularly scheduled submissions that the Contractor is required to provide to the Department so that the Department can monitor the Contractor's performance and meet state or federal reporting requirements.

- 4.17.2** The Contractor shall submit timely, accurate, and complete management reports to the Department at the specified intervals. All reports, analyses, and/or publications generated under this contract shall be the property of the Department.

- 4.17.3** The Contractor shall develop and maintain a variety of standardized reports including an annual contract report and quarterly, monthly, payroll cycle, and ad hoc reports that contain required data. The report formats shall be sufficiently flexible to enable comparison of data elements and be provided in electronic and/or paper format as determined by the Department. Reports shall measure achievement of contract performance standards and include, but not be limited to, statistics for the following areas: Call center, enrollment, Timesheets, payroll, Medicaid Individuals, employees, and complaints. Reports shall be cumulative, provide trend and comparison data, and have quarterly and annual summaries. All reporting errors shall be immediately corrected by the Contractor and resubmitted to the Department.

- 4.17.4** The Offeror shall demonstrate experience in data collection and analysis and in writing reports that are well organized, clear, concise and readable by laypersons.

Operations Reports

- 4.17.5** Contractor Operations reports shall provide detailed weekly or payroll cycle data, monthly, quarterly, and annual data as determined by the Department. Data shall be cumulative and reflect trends through tables, charts or graphs. The Department reserves the right to modify the frequency, format, and data requirements of any report, as necessary.

- 4.17.6** Operations reports shall measure contract performance standards and shall be submitted weekly for the first three months of implementation and as determined by the Department thereafter.

Reports shall include, but not be limited to, the following:

- a. Call Center Reporting: (Reference Section 4.12).
- b. Employer and Employee Enrollment Reporting:

- Number of service requests received from Services Facilitators or Designated Entity
- Number and percent of service requests successfully processed
- Number of enrollment packets received by type
- Number and percent of incomplete enrollment packets received and/or returned as compared to the number of packets received by type
- Number and percent of enrollment packets successfully processed by type
- Number and percent of enrollment packets pending processing by type
- Number and percent of Medicaid Individuals and their Employees using electronic enrollment.
- Number of background checks
- Percent of background checks as compared to the number of enrollment packets processed
- Number and percent of positive background check findings
- Number and percent of FEINs obtained as compared to the number of employer enrollment packets successfully processed

c. Verification of Employment Reporting

- Number of Verification of Employment requests received
- Percent of Verification of Employment requests successfully processed

d. Timesheet and Payroll Processing Reporting Reports shall contain payroll cycle data.

- Number of Timesheets received
- Number and percent of Timesheets received electronically
- Number and percent of Medicaid Individuals and their employees using electronic timesheet submission
- Number and percent of Timesheets successfully processed through disbursement
- Number and percent of Timesheets pending
- Number and percent of Timesheets rejected
- Number and percent of Timesheets not processed for other reasons
- Number and percent of checks, EFTs, and debit card payments
- Total number of payments made
- Total amount paid
- Number and supporting detail for off cycle payroll payments

e. Complaint and Grievance Reporting: (Reference Section 4.13).

f. Quarterly Quality Assurance Reporting: (Reference Section 4.19).

4.17.7 Quarterly Advisory Reports

The Contractor shall provide quarterly advisory reports to the Department that contain Operations data as determined by the Department and the Contractor. Data shall be cumulative, comparative, and reflect trends through tables, charts, or graphs. The Department reserves the right to modify the frequency, format, and data requirements as necessary.

4.17.8 Quarterly advisory reports shall also include information on Services Facilitators trainings and orientations conducted by the Contractor and Contractor new initiatives, issues, challenges, and planned solutions.

4.17.9 Suspected Fraud and Abuse Reports:

The Contractor shall provide monthly case specific and summary reports of suspected or actual fraud and abuse.

4.17.10 Annual Reports:

- a. The Contractor shall provide an annual operations report that contains a compilation and analysis of all reporting data and summarizes accomplishments, challenges, and planned initiatives for the upcoming contract year.
- b. The Contractor shall provide annual Medicaid Individuals Satisfaction Survey Reports.
- c. The Contractor shall provide an annual report of employees with “high earnings.”
- d. The Contractor shall provide an annual report of Internal Controls.

4.17.11 State and Federal Reports

The Contractor shall provide Monthly Virginia Long-Term Care Reports used for rate setting purposes. Data elements shall be determined by the Department and include unduplicated Medicaid individuals, waiver and service types, employees, timesheet dates, hours worked, net pay billable rates, and amounts billed .

4.17.12 The Contractor shall provide monthly and annual “372” reports of Unduplicated Medicaid Individuals by waiver and service types.

4.17.13 Ad Hoc Reports

The Contractor shall provide ad hoc reports as requested and prioritized by the Department. Ad hoc reports shall be delivered within mutually agreed upon timelines and provided in mutually agreed upon formats. The Department will incur no expense in the generation of ad hoc reports. The Department expects that standardized reports described within this contract will minimize the need for ad hoc reports.

4.17.14 Audited Financial Statements and Income Statements

The Contractor shall provide to the Department copies of its annual audited financial (or fiscal) statements no later than 90 calendar days after the end of the calendar year.

4.17.15 Public Filings

The Contractor shall promptly furnish the Department with copies of all public

filings, including correspondence, documents, and all attachments on any matter arising out of this RFP.

4.17.16 Other Reporting Requirements

As distinct from ad hoc reports, any additional data required or data changes needed to meet federal or state reporting and evaluation requirements will be required of the Contractor. These changes shall be handled as a maintenance activity and the Department will incur no expense for such reports. The Department will provide written notice of requested revisions.

4.17.17 The Contractor shall request Medicaid Individuals Services Facilitator to report any discrepancies to the Contractor.

4.17.18 If data contained in any reports do not meet DMAS' expectations, the Department may request that the Contractor develop a corrective action plan that outlines implementation steps, including timelines, to improve data reporting.

4.17.19 The Technical Proposal shall include sample reports reflective of the Offeror's reporting technology and abilities.

4.18 SATISFACTION SURVEY FOR EMPLOYERS OF RECORD

4.18.1 The Contractor shall Subcontract with a third party Vendor to conduct an annual CD Services satisfaction survey. Annual is defined as contract year.

4.18.2 The survey shall assess satisfaction with Contractor services including, but not limited to: enrollment, Timesheets, payroll, and tax processing, call center responsiveness, complaint resolution, and web based services.

4.18.3 The survey shall include questions and methodology, timelines, survey instruments, sampling, data collection methodology, letters, analysis, draft and final reports.

4.18.4 The survey shall be approved by the Department prior to conducting the survey and finalizing the results.

4.18.5 The Subcontractor shall minimally sample 5% of the total number of unduplicated, active Medicaid Individuals who had paychecks issued to employees at any time during the contract year.

4.18.6 The Contractor shall provide DMAS with regular survey activity updates. The final report shall be submitted to the Department within 90 days of the completion of the survey.

4.18.7 The Contractor shall submit an Action Plan to the Department following the final report for results that do not meet the performance standard below. The Action Plan shall include evaluation of deficiencies, needed corrective actions, and timeframes to achieve identified goals.

- 4.18.8** The Technical Proposal shall include a copy of a recent satisfaction survey and survey results from a contract of similar size and scope to the contract described in this RFP.

4.19 QUALITY ASSURANCE

- 4.19.1 Quality Assurance Plan** The Contractor shall have an internal Quality Assurance (QA) plan and system in place, with documented policies and procedures and internal controls, to perform quarterly operations reviews of all key deliverables.
- 4.19.2** The QA plan shall minimally, include a 15% quarterly sampling of key operation areas; outcome measurement tools; and performance analysis as compared to performance standards identified in this RFP. The QA plan shall be submitted annually to the Department for approval.
- 4.19.3** The Contractor shall provide the Department with a quarterly QA report of sampling activities and findings that includes trend data and identifies operational area strengths and areas needing improvement including actions taken.
- 4.19.4** The Department may attend quarterly Contractor QA meetings at the Department's option.
- 4.19.5** The Technical Proposal shall include a copy of a Quality Assurance Plan and results for a contract of similar scope and size to this RFP for the quarter or period preceding the RFP release.

4.19.6 Performance Reviews

The Contractor shall cooperate with any performance review conducted by the Department including providing copies of all records and documentation arising out of Contractor's performance obligations under this RFP. Upon reasonable notice, the Department may conduct a performance review and audit of the Contractor to determine compliance with the RFP. The Department will provide the results of performance reviews to the Contractor.

4.19.7 Contractor Corrective Actions

At any time a deficiency in the Contractor's performance is identified, the Department may request a corrective action plan. The Department requires the Offeror include in its response to this RFP the number of corrective actions requested by each contract the Offeror held for Consumer-Directed Services in the discovery of non-compliance in performance for the time-period of December 2016 to January 2018.

- 4.19.8** The Contractor shall develop corrective action plans and submit them to the Department, for approval, within the format and timelines prescribed by the Department.

4.19.9 The Contractor shall immediately notify the Department of any automated systems processes, modifications, or downtime adversely affecting internal or external systems access or functionality impacting the timeliness and accuracy of enrollment, timesheet, payroll, or tax processing.

4.19.10 The Contractor shall develop, implement, and submit a corrective action plan to the Department, within 48 hours, outlining the Contractor's approach to resolving the issues including systems testing, if applicable.

4.20 STAFFING REQUIREMENTS

The Department encourages the Offeror to propose a staffing plan that mirrors industry best practices. The staffing plan shall include, but is not limited to, the following:

- A sufficient number of professional staff with the necessary knowledge, education, and experience (and licenses or required registration if applicable) to successfully implement F/EA services for Consumer Direction Services.
- Sufficient technical support services staff to ensure: timely and accurate enrollment, payroll, and tax processing; information technology systems support and maintenance services; timely and responsive customer services including knowledge of program rules and the principles of self-direction; timely and accurate reports and responsiveness to other requests.
- Sufficient number of qualified staff dedicated to perform quality management and improvement activities.

Staffing Plan

4.20.1 The Contractor shall not have an employment, consulting, or any other agreement with a person or entity that has been debarred, suspended, or otherwise excluded from participating in state or federal procurement activities or federal health care programs.

Staffing must be capable of fulfilling the requirements of this RFP. A single individual may not hold more than 1 position unless otherwise specified. Minimum staff requirements are as follows:

1. A full time administrator Project Director dedicated 100% to the contract, tasked with overall responsibility for all aspects including the coordination and operation of this RFP. This person shall be at the Contractor's Officer level and must be approved by the Department including any replacement prior to an official offer of employment by the Contractor. The Project Director shall be responsible for the coordination and operation of all deliverables in this RFP.
2. Full time Information Systems Project Director/Manager dedicated 100% to the contract, with responsibility for building interfaces, modifying systems, testing, and readiness reviews. Once implemented, IT staff, to support on-going operations, systems changes, and address all IT errors and corrective actions in a timely and

accurate manner.

3. Full time Financial Operations Manager/Supervisor(s) dedicated 100% to the contract, tasked with ensuring that Medicaid funds are used as intended and payroll, related payments are made in an accurate and timely manner.
4. Tax Manager/Supervisor and sufficiently trained staff to manage state and federal tax filings, deposits, payments, and garnishments in an accurate and timely manner.
5. Provider Relations/Outreach Coordinator, dedicated 100% to the contract, whose primary duties include development and implementation of the Contractor's ongoing strategies to provide needed outreach activities, such as orienting and training Services Facilitators, conducting quarterly and other meetings with Services Facilitators and orienting and training Medicaid Individuals, as necessary.
6. A Quality Assurance Coordinator to manage the requirements described in the RFP.
7. Staff trained and experienced in information systems data processing and reporting to provide accurate and timely reports to the Department.
8. Call Center Manager and Supervisor(s) dedicated 100% to the contract and sufficiently trained and experienced staff to manage and maintain the Call Center.
9. Sufficiently trained and experienced full time support staff to conduct daily business in an orderly manner including: administration, accounting and finance, information technology, and customer service as determined through management and Department reviews.

4.20.2 The Offeror shall identify the business office locations for staff positions. The Contractor must notify the Department, in writing, of any changes in business office locations for staff positions within ten (10) Business Days of any change.

4.20.3 The Contractor shall identify in writing the name, contact information, and provide a resume, for the Project Director, Call Center Manager, Financial Operations Manager/Supervisor, Information Systems Project Director/Manager, Tax Manager, and Provider Relations Outreach Coordinator.

4.20.4 The Contractor shall provide key contact persons for Accounting and Finance, Service Authorizations, Claims Processing, Information Systems, Medicaid Individual Services and Grievance and Appeal System Resolution, within 30 days of contract execution.

4.20.5 The Contractor shall notify the Department, in writing, of any changes in key staff persons within ten (10) Business Days of any change except for the Project Director which must be pre-approved by DMAS.

4.20.6 The Technical Proposal shall describe turn-over rates in the last 2 years at key staffing levels, such as executive and middle operations management, call center management, customer service representatives, and other key positions necessary to fulfill the requirements of the RFP.

4.20.7 The Contractor shall notify the Department immediately if any project management key staff members, as identified in the contract, becomes unavailable for any reason.

4.20.8 The Contractor shall provide an expected timeline for rehire. The Department shall approve rehires for project management level positions.

4.20.9 The Contractor shall notify the Department in reductions in staffing levels, subject to review and prior approval of the Department.

4.20.10 The Contractor shall not maintain positions deemed nonessential for the purpose of maintaining the current reimbursement level.

4.20.11 The Contractor shall submit to DMAS annually a functional organizational chart and resumes, which shall be updated when there are significant staff changes and submitted on an annual basis.

4.20.12 The Contractor shall provide to the Department job descriptions for key positions on an annual basis or upon change, whichever occurs first. Resumes for key personnel shall be provided to DMAS for all new hires into key positions upon employment.

4.20.13 *Licensure (or Required Registration)*

The Contractor is responsible for ensuring that all persons, whether they are employees, agents, Subcontractors, or anyone acting for or on behalf of the Contractor, are legally authorized to render services under applicable State law and/or regulations.

4.20.14 The Contractor shall ensure that personnel who are professionally licensed and/or certified keep licensure and/or certifications current and provide proof of continued licensing and/or certification to the Contractor within 1 month of licensure/certification expiration.

4.20.15 *Staff Training*

The Offeror shall describe its training plan(s) for new and experienced staff including cross training, content, materials, delivery methods, frequency, and length of training. Staff training shall include but not be limited to:

- a. Contractor operations
- b. Call Center and customer service
- c. Consumer-Directed Services cultural sensitivity and communication with diverse populations including Medicaid Individuals, the elderly, and persons with disabilities
- d. DMAS' system of record access and data interpretation
- e. Detection and reporting of suspected fraud and abuse
- f. Recognition and reporting of suspected child abuse or neglect and abuse, neglect, or exploitation of adults
- g. Security training.

The Contractor shall submit its training plan(s) to the Department annually for approval.

4.21 *Outreach and Training*

4.21.2 The Contractor shall conduct standardized orientation for Services Facilitators prior to implementation of this contract.

4.21.3 The Contractor shall offer monthly orientation for all new Services Facilitators and

conduct annual training for all Services Facilitators to support them in assisting Medicaid Individuals with employee management.

4.21.4 The Contractor shall provide orientation and training to address the roles, responsibilities, and operations of the Contractor including, but not limited to:

- a. Enrollment and disenrollment background checks
- b. Timesheet and payroll processes
- c. Web portal navigation
- d. Customer services
- e. Complaint, grievance, and appeals management
- f. Contractor program changes and enhancements

4.21.5 The Contractor shall arrange all orientation and training sessions and assume all training and orientation costs. The Department may participate in these sessions. There are Services Facilitators located in five Virginia regions: Northern Virginia, Tidewater, Central, Piedmont, and Southwest.

4.21.6 Orientation and training may be delivered through on-site workshops or via Internet-based technology such as WebEx or another application.

4.21.7 Orientation and training materials shall be made available in electronic file media, in a format acceptable to the Department, and submitted to the Department for approval at least ten (10) Business Days before the first scheduled training and upon revision. The Department reserves the right to notify the Contractor to discontinue or modify materials or activities after approval.

4.21.8 The Contractor shall submit its final plans for orienting and training Services Facilitators prior to implementation start date and begin conducting training 45 calendar days before implementation start date or as determined by the Department.

4.21.9 The Contractor shall have a system, policies and procedures, and internal controls to send e-mail blasts (functionality to send out e-mails in bulk) to all Services Facilitators informing them of Contractor program changes.

4.21.10 The Contractor shall participate in and provide F/EA related information at community, regional, or other meetings as specified by the Department. Information may include an overview of the Contractor's services, details on how to access and navigate services, Complaint procedures, and other information requested by the Department.

4.21.11 The Technical Proposal shall include plan(s) for orienting and training Services Facilitators. Orientation and training plan(s) shall include:

- a. Learning objectives
- b. Content
- c. Delivery and evaluation methods
- d. Registration and attendance confirmation methods
- e. Frequency

- f. Length of sessions
- g. Contractor training delivery staff and other pertinent information necessary to successfully implement the requirements of the RFP.

4.22 OFFICE LOCATION

Virginia Office

- 4.22.1** The Contractor shall maintain a physical business office in Richmond, Virginia or in the adjacent area.
- 4.22.2** The Contractor shall specify staff to be located in the business office at a minimum, the Project Director and specified program operations staff shall be located in the office.
- 4.22.3** The Contractor shall maintain office hours from 8:00A.M. to 5:00 PM EST Monday-Friday, except federal holidays. If the Call Center is located in the Virginia business office, the Call Center shall operate 8:00 A.M. to 6:00 P.M. EST Monday-Friday except federal holidays.
- 4.22.4** The Contractor shall enumerate the geographical locations of its firm at the national, regional, and local levels, as applicable.
- 4.22.5** The Contractor shall identify all locations that will be used to support this contract and the operations handled from these locations, particularly noting any Virginia-based locations that will be used.
- 4.22.6** Records

The Contractor shall maintain detailed records evidencing administrative costs and expenses incurred pursuant to the contract; the provision of F/EA services; and complaints and grievances for monitoring and evaluation by DMAS and other state and federal personnel.
- 4.22.7** All records pertaining to the contract shall be housed at the designated central business office, approved by DMAS, and be made available electronically for review at the request of DMAS or its authorized representatives.
- 4.22.8** All records shall be current within the timeframes specified in this RFP and required by the Contractor's policies and procedures.
- 4.22.9** The Contractor shall have the capacity to reproduce documents, as requested, at the Contractor's expense.

4.23 SUBCONTRACTORS

Legal Responsibility

4.23.1 The Contractor shall be responsible for the administration and management of all aspects of this RFP. If the Contractor elects to utilize a Subcontractor, the Contractor shall ensure that the Subcontractor shall not enter into any subsequent agreement or Subcontract for any work without prior approval of the Contractor. No Subcontract, provider agreement, or other delegation of responsibility shall terminate or reduce the legal responsibility of the Contractor to the Department to ensure that all activities under this RFP are carried out.

4.23.2 In accordance with requirements described in 42 C.F.R. Section 455 Subpart B, and the state Medicaid Director Letter SMDL #08-003 (available at <http://www.cms.gov/smdl/downloads/SMD061208.pdf>), the Contractor shall comply with all of the following federal requirements. Failure to comply with accuracy, timeliness, and in accordance with federal and contract standards may result in refusal to execute this contract, termination of this contract, and/or sanction by the Department.

4.23.3 Contractor Owner, Director, Officer(s) and/or Managing Employees

- a. The Contractor and or its Subcontractors shall not knowingly have a relationship of the type described in paragraph (b) of this section with:
 1. An individual or entity who is debarred, suspended, or otherwise excluded from participating in federal health care programs, as listed on the Federal List of Excluded Individuals/ Entities (LEIE) database at: http://www.oig.hhs.gov/fraud/exclusions/exclusions_list.asp or excluded from participating in procurement activities under the Federal Acquisition Regulation.
 2. An individual who is an affiliate, as defined in the Federal Acquisition Regulation, of a person described in paragraph (a)(1) of this section.
- b. The relationships described in this paragraph are as follows:
 1. A director, officer, or partner of the Contractor
 2. A person with beneficial ownership of five percent or more of the Contractor's equity.
 3. A person with an employment, consulting or other arrangement with the Contractor for the provision of items and services that are significant and material to the Contractor's obligations under this contract with the Department.
- c. Consistent with federal disclosure requirements described in 42 C.F.R. Section 455.100 through 42 C.F.R. Section 455.106, the Contractor and its Subcontractor(s) shall disclose the required ownership and control, relationship, financial interest information; any changes to ownership and control, relationship, and financial interest, and information on criminal conviction regarding the Contractor's owner(s) and managing employee(s). The Contractor shall provide the required information using the *Disclosure of Ownership and Control Interest Statement* (CMS 1513) annually at the time of contract signing.

- d. The Contractor and its Subcontractor(s) shall perform, at a minimum, a monthly comparison of its owners and managing employees against the LEIE database to ensure compliance with these federal regulations. The LEIE database is available at http://www.oig.hhs.gov/fraud/exclusions/exclusions_list.asp.
- e. The Contractor shall report to the Department within 5 Business Days of discovery of any Contractor or Subcontractor owners or managing employees identified on the LEIE database and the action taken by the Contractor.
- f. Failure to disclose the required information accurately, timely, and in accordance with federal and contract standards may result in refusal to execute this contract, termination of this contract, and/or sanction by the Department.

4.23.4 Contractor and Subcontractor Service

- a. In accordance with Sections 1902(a)(39) and (41), 1128, and 1128A of the Social Security Act; 42 CFR, Part 1002; 42 CFR, Section 438.610; and 12 VAC 30-10-690 of the Virginia Administrative Code and other applicable federal and state statutes and regulations, the Contractor (including Subcontractors and providers of Subcontractors) shall neither participate with nor enter into any provider agreement with any individual or entity that has been excluded from participation in federal health care programs or who have a relationship with excluded provider of the type described in paragraph 1(b) above. Additionally, the Contractor and its Subcontractor is further prohibited from contracting with providers who have been terminated from the Medicaid or FAMIS programs by DMAS for fraud and abuse. Additional guidance may be found in the Department's 4/7/09 Medicaid Memo titled, "Excluded Individuals/Entities from State/Federal Healthcare Programs."
- b. The Contractor shall inform Subcontractors about federal requirements regarding providers and entities excluded from participation in federal health care programs (including Medicare, Medicaid and CHIP programs). In addition, the Contractor should inform Subcontractors about the Federal Health and Human Services – Office of Inspector General (HHS-OIG) online exclusions database, available at <http://exclusions.oig.hhs.gov/>, where providers/Subcontractors can screen managing employees, contractors, etc., against the HHS-OIG website on a monthly basis to determine whether any of them have been excluded from participating in federal health care programs. Providers and subcontractors should also be advised to immediately report to the Contractor any exclusion information discovered. The Contractor and its Subcontractor(s) shall perform, at a minimum, a monthly comparison of its providers against the LEIE database to ensure that their contracted health care professionals have not been included on the LEIE database, available at http://www.oig.hhs.gov/fraud/exclusions/exclusions_list.asp. Federal health care programs include Medicare, Medicaid, and all other plans and programs that provide health benefits funded directly or indirectly by the United States.
- e. The Contractor shall report to the Department within five (5) Business Days of discovery of any Subcontractors that have been identified on the LEIE database and the action taken by the Contractor.

- f. Failure to disclose the required information accurately, timely, and in accordance with federal and contract standards may result in sanction by the Department in accordance with this subsection of the contract.

4.23.5 Prior Approval of Subcontracting

No portion of the work shall be subcontracted without the prior written consent of the Department. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the Department with the names, qualifications and experience of the proposed Subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its Subcontractor(s) and shall assure compliance with all requirements of the contract. The Department shall have the option to review and approve all written agreements between the Contractor and its Subcontractors prior to execution.

Once a Subcontract has been executed by the participating parties, a copy of the fully executed Subcontract shall be sent to the Department within 30 days of execution.

No portion of F/EA duties can be subcontracted to another Vendor Fiscal/Employer Agent.

4.23.6 HIPAA Requirements

To the extent that the Contractor uses one or more Subcontractors to provide services under this Contract, and such Subcontractors receive or have access to Protected Health Information (PHI), each such Subcontractor or agent shall sign a Business Associate Agreement with the Contractor that complies with HIPAA. The Contractor shall ensure that any agents and Subcontractors to whom it provides PHI received from the Department (or created or received by the Contractor on behalf of the Department) agree in writing to the same restrictions, terms, and conditions relating to PHI that apply to the Contractor pursuant to this contract.

4.23.7 Notice of Subcontractor Termination

When a Subcontract is being terminated between the Contractor and a Subcontractor, the Contractor shall give at least 30 days prior written notice to the Department. Notice shall include, at a minimum, the Contractor's intention with regards to changing to a new Subcontractor for the provision of services, an effective date for termination and/or change, and any other pertinent information.

- 4.23.8** The Technical Proposal shall describe, in detail, the Offer's intent to Subcontract any portion of F/EA work including the rationale for subcontracting; description of the work to be performed; and names, qualifications, and experience of the proposed Subcontractor(s).

4.24 Fraud and Abuse

4.24.1 Prevention/Detection of Fraud and Abuse

The Contractor shall have internal controls and policies and procedures in place that are designed to prevent, detect, and report known or suspected instances of fraud and abuse. Such policies and procedures must be in accordance with federal regulations described in 42 C.F.R. Parts 455 and 456.

- 4.24.2** The Contractor shall have adequate staffing and resources to investigate unusual incidents and develop and implement corrective action plans to assist the Contractor in preventing and detecting potential instances of Fraud and abuse.

4.24.3 *Fraud and Abuse Compliance Plan*

- a. The Contractor shall have a written Fraud and Abuse Compliance Plan. The Contractor's specific internal controls and policies and procedures shall be described in a comprehensive written plan and be maintained on file with the Contractor for review and approval by the Department and as an annual contract submission.
- b. The plan must define how the Contractor shall identify and report suspected fraud and abuse by Medicaid Individuals, their employees, network providers, Subcontractors, and the Contractor.
- c. The plan must be submitted annually and discuss the monitoring tools and controls used to protect against theft, embezzlement, fraudulent marketing practices, or other types of fraud and program abuse.
- d. The plan must additionally describe the type and frequency of training provided to prepare staff to detect fraud. All fraudulent activities or other program abuses shall be handled subject to the laws and regulations of the Commonwealth of Virginia and/or federal law and regulation.

- 4.24.4** The Department shall provide notice of approval, denial, or modification to the Contractor within 30 calendar days of annual submission. The Contractor Shall make any requested updates or modifications available for review, as requested by the Department, within 30 calendar days of a request. At a minimum the written plan shall:

1. Ensure that all officers, directors, managers, and employees know and understand the provisions of the Contractor's Fraud and Abuse Compliance Plan.
2. Contain procedures designed to prevent and detect potential or suspected abuse and Fraud in the administration and delivery of services under this contract.
3. Include a description of the specific controls in place for prevention and detection of potential or suspected abuse and fraud, such as:
 - a. Medicaid Individual's role and responsibilities in timesheet approval and submission;
 - b. Timesheet and claims edits;
 - c. Identification of timesheet and payroll inconsistencies and outliers including data analysis;
 - d. Information and training;
 - e. Relevant Subcontractor and provider agreement provisions;
 - f. Written employee and provider materials regarding fraud and abuse prevention, detection, and reporting; and
 - g. Reporting protocols
4. Contain provisions for the confidential reporting by Medicaid Individuals, their

employees, network providers, and Subcontractors of plan violations to the designated person as described below.

5. Contain provisions for the investigation and follow-up of any compliance plan reports.
6. Ensure that the identities of individuals reporting violations of the plan are protected.
7. Contain specific and detailed internal procedures for officers, directors, managers, and employees for detecting, reporting, and investigating fraud and abuse compliance plan violations.
8. Require any confirmed or suspected fraud and abuse under state or federal law by a provider, Medicaid Individual, their employees, or Contractor employee to be reported to the Department.
9. Ensure that no individual who reports plan violations or suspected fraud and abuse is subjected to retaliation.

4.24.5 The Contractor shall designate to the Department an officer or director in its organization who has responsibility and authority for carrying out the provisions of the Fraud and Abuse Compliance Plan.

4.24.6 The Contractor shall notify the Department of all incidents of potential or actual fraud and abuse receiving an allegation, initiation of any investigative action by the Contractor, or notification that another entity is conducting such an investigation of the Contractor, its network providers, its Medicaid Individuals, or their employees.

4.24.7

All written reports shall be sent to the Department, on a monthly basis, and shall include a detailed account of the incident including names, dates, places, and suspected fraudulent activities. In addition, the Contractor shall provide a monthly summary report to the Department of all incidents of potential or actual fraudulent activity and results.

4.24.8 The Contractor shall cooperate and comply with all fraud and abuse investigation efforts by the Department and other state and federal entities.

4.24.9 All cases where fraud is suspected or detected shall be referred to the Department prior to the initiation of any actions or recoupment efforts.

4.24.10 The Contractor shall provide support to the Medicaid Fraud Control Unit on matters relating to specific cases involving detected or suspected fraud. Any recovery, in whole or in part, or penalty recovered through the investigative efforts or litigation by the Medicaid Fraud Control Unit related to fraudulent provider conduct shall be returned to the Commonwealth and remain in the possession of the Commonwealth.

4.24.11 The Contractor shall ensure compliance with federal rules and regulations for prohibited affiliations with individuals and entities debarred by federal agencies per 42 C.F.R. Part 1002 and 42 C.F.R. Part 455 Subpart B.

4.25 DISASTER PREPAREDNESS AND RECOVERY PLAN

4.25.1 The Contractor must submit evidence that it has a Business Continuity/Disaster Recovery (BC/DR) plan in place for its overall operations including, but not limited to, the Call

Center, web based operations, and information systems. The plan document must be delivered to the Department 30 days after contract award. The BC/DR plan shall be tested annually. The testing results shall be made available, upon request, to the Department for the life of the contract.

4.25.2 The Contractor's BC/DR plan shall address all of the following:

- a. The ability to continue receiving calls, service requests, and other functions required in this RFP in the event that the central site is rendered inoperable.
- b. Provisions in relation to the Call Center telephone number(s).
- c. Documentation of emergency procedures that include steps to take in the event of a natural disaster by fire, water damage, sabotage, mob action, bomb threats, etc.
- d. Provisions that the plan be tested annually after the effective date of the contract.
- e. Provisions to assure that employees at the site are familiar with the emergency procedures.
- f. Smoking must be prohibited at the site.
- g. Heat and smoke detectors must be installed at the site both in the ceiling and under raised floors (if applicable), and these devices must alert the local fire department as well as internal personnel.
- h. Portable fire extinguishers must be located in strategic and accessible areas of the site. They must be vividly marked and periodically tested.
- i. The site must be backed up by an uninterruptible power source system.

4.25.3 The RFP response must include sufficient information to show that the BC/DR plan meets or exceeds the requirements of current HIPAA regulations (See 45 CFR §160 *et seq.* and §64, Subparts A & E):

- a. Section 1902 (a) (7) of the Social Security Act;
- b. HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 Health and Insurance Reform: Security Standards: Final Rule, February 20, 2003 (or later);
- c. HIPAA Privacy Rule, 45 CFR Parts 160 and 164 Standards for Privacy of Individually Identifiable Health Information; Final Rule, August 14, 2002 (or later);
- d. COV ITRM Policy SEC500-02 dated: July 19, 2007 (revised) (or later); and e. COV ITRM Standard SEC501-01 dated July 1, 2007 (revised) (or later).

4.25.4 The Contractor's BC/DR plan must continue to comply with these requirements as they are from time to time amended or if other applicable state and federal laws and/or guidance are adopted.

4.26 PROTECTED HEALTH INFORMATION (PHI) COMPLIANCE

4.26.1 The Contractor shall comply with all federal and state laws and regulations with regard to handling, processing, and using health care data.

4.26.2 The Contractor must keep abreast of the regulations and be able to reach full compliance within the specified timeframes.

4.26.3 The Department and the Contractor, as defined as 'business associate' in 45 C.F.R. Section 160.103, will enter into this Business Associate Agreement to comply with the HIPAA Privacy regulation requirements. A template of this Agreement is available on the DMAS Internet Site at http://dmasva.dmas.virginia.gov/Content_pgs/ab-ocs.aspx.

4.26.4 The Contractor shall not use Protected Health Information (PHI) unless expressly permitted or as required by law. The Contractor shall comply with the HIPAA regulations at no additional cost to DMAS.

4.26.5 The Contractor shall ensure that any agents and Subcontractors, to whom it provides PHI received from DMAS, agree in writing to the same restrictions, terms, and conditions relating to PHI that apply to the Contractor.

4.26.6 The Contractor shall report to DMAS within one (1) Business Day of discovering any use or disclosure of PHI made in violation of agreement or any law. The Contractor shall implement and maintain sanctions for any employee, Subcontractor, or agent who violates the requirements of agreement or the HIPAA privacy regulations.

4.26.7 The Contractor shall make an individual's PHI available to DMAS within 15 calendar days of an individual's request for such information, as notified by DMAS.

4.26.8 The Contractor shall make PHI available for amendment and correction and shall incorporate any amendments or corrections to PHI within 30 days of notification by DMAS.

4.26.9 DMAS may immediately terminate a Business Associate Agreement with the Contractor if DMAS determines that the Contractor has violated a material term of the Agreement.

4.26.10 The Contractor shall develop a written Business Associate Data Security Plan that shall be available upon the execution of a Business Associate Agreement. The Business Associate Data Security Plan shall describe the manner in which the Contractor will use DMAS' data and the procedures the Contractor will employ to secure the data.

4.27 **READINESS REVIEW**

4.27.1 The Department shall conduct an on-site review to assess the readiness of the Contractor to effectively administer and provide the services defined in this RFP.

4.28.2 Prior to the implementation start date, the Contractor shall demonstrate, to the Department's satisfaction, that Contractor is fully capable of performing all duties under this contract, including demonstration of the following:

- a. Contractor's integrated information technology systems and services (enrollment, timesheet and payroll processing, and Call Center) are adequate

to ensure that there will be minimal disruptions in service to EORs and that the Contractor has instructed EORs, their employees, Services Facilitators, in the basic operation of Contractor services.

- b. Contractor has hired and thoroughly trained its staff in accordance with the requirements outlined in this RFP, including the specifics of Consumer-Directed waiver services. Contractor's staff has sufficient knowledge of Medicaid and F/EA laws, regulations, policies, and services to make enrollment, payroll, and invoice payment determinations.
- c. Contractor has trained its staff to handle telephone requests and inquiries from EORs, employees, Services Facilitators and other callers and has provided the Department with copies of training materials and described the methods used for training and education.
- d. Contractor has the ability to verify Medicaid waiver eligibility, Service authorizations, and patient pay, process enrollment requests for F/EA Services, process Timesheets and payroll for employees for authorized services.
- e. Contractor has demonstrated the ability to accurately submit and accept to the Department's satisfaction, all required documentation.
- f. Contractor's quality management/quality improvement and other pertinent components are in place in accordance with the requirements described in this RFP.
- g. Contractor has successfully tested all EDI interfaces with the Department prior to implementation.
- h. Contractor's telephone system is fully operational and staff training has been completed for a readiness review.
- i. Contractor has submitted an Implementation Plan demonstrating compliance with the terms of the RFP.

4.27.3 The Operational Readiness review may include, but shall not be limited to:

- a. A walk-through of the Contractor's operations.
- b. System demonstrations and testing, including connectivity and web portal testing.
- c. Interviews with Contractor staff.
- d. Sampling of enrollment, timesheet, payroll, live call monitoring and initiation of phone calls.
- e. Correspondence review.
- f. Fraud and incident management review.

4.27.4 Any changes required to the Contractor's processes as identified through readiness review activities shall be made by the Contractor prior to implementation.

4.27.5 Costs associated with these changes shall be borne by the Contractor. The Contractor's inability to demonstrate, to the Department's satisfaction, that Contractor is fully capable of performing all duties under this contract shall be grounds for the immediate termination of the contract by the Department pursuant to Section 10, Special Terms and Conditions, of this RFP.

4.28 **TRANSITION ACTIVITIES**

4.28.1 Within 10 calendar days from the award of contract, the Contractor shall

schedule and attend a meeting (entrance conference) at DMAS to discuss all pertinent items relative to the contract.

4.28.2 The Contractor shall work closely with DMAS to define project management, status reporting standards, and communication protocols to ensure an orderly transition between Contractors and prevent interruptions or gaps in services.

- a. Transition activities and data exchange shall include, but not be limited to:
 - 1. A turnover schedule
 - 2. Operational resource requirements
 - 3. Training
 - 4. Transfer of all electronic and hard copy data, documentation, files and other records, including data file loads for testing and conversion to the new Contractor
 - 5. Inventory and transfer of incumbent Contractor training materials, current comprehensive F/EA policy and procedures manuals, brochures, pamphlets, and all other written materials developed in support of this RFP.
- b. Transfer of electronic and hard copy data, documentation, files, and other records shall include, but not be limited to:
 - 1. Medicaid Individual, EOR, and employee demographics and tax IDs
 - 2. State and federal income tax and unemployment tax withholdings, filing, and deposit histories
 - 3. Garnishments, liens, and other withholding histories
 - 4. Patient Pay deductions
 - 5. Employment eligibility information
 - 6. State new hire reporting
 - 7. Background check results
 - 8. Medicaid Individual and employee hire packet information
 - 9. Paid, denied, and pending Timesheets
 - 10. Payroll history reports
 - 11. Service Authorization and utilization reports
 - 12. Services Facilitator demographics
 - 13. Pending Grievances, including Department appeals and hearings
 - 14. Pending Fraud and abuse referrals
- c. Transition activities shall include the revocation and/or transfer to a new Contractor of all F/EA Federal and State Appointment of Agent, Powers of Attorney, Tax Information Authorization, and other State and federal required tax forms, information, and activities identified in this RFP and provide for the transfer to the Department of any software licenses deemed reasonably necessary by the Department for the orderly and controlled transition of the Contractor's responsibilities.

DMAS will:

- 1. Coordinate communications and act as a liaison between the new Contractor and

the incumbent Contractor.

2. Work with the Contractor to review and finalize the implementation plan for the Transition Phase.
3. Coordinate the transfer of files and applications from the incumbent Contractor to the new Contractor on a schedule outlined in the approved implementation plan (Transition Phase Activities).
4. Provide all available relevant documentation on operations currently performed by the incumbent Contractor and DMAS.
5. Establish protocols for problem reporting and controls for the transfer of data or information from the incumbent Contractor to the new Contractor.
6. Assign a DMAS' liaison to participate in Contractor work groups.
7. Review and approve procedures and protocols defined by the work groups.
8. Monitor progress through periodic status reports, weekly meetings, and work plan updates.

The Successor Contractor shall:

1. Finalize the implementation plan, including the Transition Phase Activities and submit it to DMAS for approval.
2. Work with DMAS to establish communication protocols with DMAS and the incumbent Contractor.
3. Attend weekly meetings throughout the Transition Phase to discuss and resolve transition issues and establish procedures and protocols to support operations and promote communications among all parties.
4. Work with DMAS to establish project management and reporting standards.
5. Submit periodic written status reports on the progress of tasks compared to the approved plan including Transition Phase Activities.
6. Conduct periodic status meetings with DMAS.

4.29.3 The new Contractor shall be responsible for preparing the agenda for meetings and preparing and distributing minutes, to include action items, from each meeting.

4.29 **TRANSITION UPON TERMINATION OR EXPIRATION**

4.29.1 At the expiration of this contract or at any time the Department desires a transition of all or any part of the duties and obligations of the Contractor to the Department or to another Vendor after termination or expiration of the contract, the Department will notify the Contractor of the need for transition. Notice will be provided at least 90 calendar days prior to the date the contract will expire or at the time the Department provides notice of termination to the Contractor.

4.29.2 The transition process will commence immediately upon notification and shall, at no additional cost to the Department, continue past the date of contract termination or expiration if, due to the actions or inactions of the Contractor, the transition process is not completed before that date.

4.29.3 If delays in the transition process are due to the actions or inactions of the Department or the Department's newly designated Vendor and the subsequent

Vendor is unable to assume operations on the planned date of transfer, the Department and Contractor will negotiate, in good faith, a contract modification for the Contractor to continue to perform operations on a month-to-month basis and for the conduct of, and compensation for, transition activities after the termination or expiration of the contract.

4.29.4 The Department will withhold final payment to the Contractor until transition to the new Contractor is complete.

4.29.5 Notice of termination, cancellation, or expiration of this contract shall not relieve the Contractor of its obligation to process enrollments, Timesheets, payroll, invoices, and meet payroll and federal and state tax obligations prior to the effective date of termination, cancellation, or expiration.

4.29.6 Notice of termination, cancellation, or expiration of this contract shall not relieve the incumbent Contractor of the responsibility to provide assistance in the transitioning of services in accordance with the requirements of this contract.

4.29.7 Termination, cancellation, or expiration of this contract shall not relieve the Contractor of its duties and responsibilities to adhere to all quarterly and end of year state and federal tax and unemployment filing, deposit, and payment requirements, which may occur subsequent to the effective date of contract termination, cancellation, or expiration.

4.29.8 The Contractor shall revoke and/or transfer to a new Contractor, as appropriate, all F/EA Federal and State Appointment of Agent, Powers of Attorney, Tax Information Authorization, and other State and federal required tax forms; retire all federal and state employer ID numbers for EORs who are no longer employers (permanently), and provide all records of state and federal tax filings, deposits, payments, and other related payments as outlined in this RFP to the new Contractor. These Contractor activities shall be at no additional cost to the Department.

4.29.9 Termination, cancellation, or expiration of this contract shall not relieve the Contractor of its duties and responsibilities to provide all quarterly and end of tax year refunds, payroll reconciliation refunds, unclaimed property refunds, penalties and interest refunds, and other refunds to the Department, as required by this RFP.

4.29.10 Refunds due subsequent to the effective date of contract termination, cancellation, or expiration shall be due in accordance with the schedules specified in this RFP.

4.29.11 Within 2 months of meeting all payroll reconciliations and obligations, the Contractor shall close out the CD-Services payroll payment bank account and refund the remaining balances to DMAS, and provide a copy of the bank account closing statements. These Contractor activities shall be at no additional cost to the Department.

4.29.12 Close Out and Transition Procedures:

- a. Within ten (10) Business Days after receipt of written notification by the

Department of the initiation of the transition, the incumbent Contractor shall provide to the Department detailed electronic and hard copy documents, files, and other records as stated in the RFP, including data file loads for testing and conversion to the new Contractor.

- b. Within ten (10) Business Days after receipt of the detailed document, the Department will provide the incumbent Contractor with written instructions, which shall include, but not be limited to, the following:
 - 1. The packaging, documentation, delivery location, and delivery date of all records, data, and review information to be transferred. The delivery period shall not exceed 30 calendar days from the date the instructions are issued by the Department.
 - 2. The date, time, and location of any transition meetings to be held between the Department, the incumbent Contractor and any incoming Contractor. The incumbent Contractor shall provide a minimum of 4 individuals to attend the transition meetings and those individuals shall be proficient in, and knowledgeable about, the materials to be transferred, including but not limited to payroll processing, taxes, information technology, and Customer Services.
- c. Within five (5) Business Days after receipt of the materials from the Contractor, the Department shall submit to the Contractor, in writing, any questions the Department has with regard to the materials transferred by Contractor. Within five (5) Business Days after receipt of the questions, the Contractor shall provide written answers to the Department.
- d. All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance of this contract shall become the sole property of the Department. On request, the Contractor shall promptly provide an acknowledgment or assignment in a tangible form satisfactory to the Department to evidence the Department's sole ownership of specifically identified intellectual property created or developed in the performance of the contract.
- e. At the end of the contract, the Contractor shall transfer the toll-free number(s), database information, and any web-based resources, including the website, back to the Department. Upon termination of the contract, the Department shall pay the Contractor the value of services performed up to the date of termination, not to exceed the total value of the contract.

SECTION V - DMAS RESPONSIBILITIES

5.1.1 DMAS will work in partnership with the Contractor, Medicaid Individuals, Services Facilitators and other interested parties to deliver a high quality program.

5.1.2 DMAS will meet with Contractor representatives, at a minimum, on a monthly basis and communicate daily (if needed) to discuss Contractor performance and DMAS policy, and other issues affecting the Contractor.

5.1.3 DMAS will monitor Contractor performance to ensure a high quality contract.

5.1.4 DMAS will address the following:

1. The extent to which services are delivered in accordance with contract timelines, milestones, and requirements.
2. Contractor corrective actions.
3. Contractor compliance with state and federal laws and regulations. and DMAS policies and regulations.
4. Contractor services complaints and grievances.
- 5) Invoices to ensure that services billed are in accordance with contract terms and conditions.
6. Contractor performance monitoring will occur through records, reports, and data reviews, third party payroll register reviews, invoice reviews, Customer Service Center live call monitoring, and site visits.

5.1.5 DMAS will conduct an annual Contractor performance review and provide the results to the Contractor.

5.1.6 The primary responsibilities of the Department include, but are not limited to:

- a. Federal and state Medicaid policy interpretation. DMAS will make the final decisions regarding all policy issues.
- b. On-going monitoring of contract.
- c. Perform periodic audits for contract compliance.
- d. Provision of on-going training on DMAS policies affecting the Contractor's services or Medicaid Individuals served.
- e. Provision of all necessary, up-to-date Service Authorizations, patient-pay, eligibility information, and other information on Medicaid Individuals.
- f. Establish hourly rates, within the parameters set by the Virginia General Assembly, for all Personal Care Assistants and notify the Contractor of rate changes.
- g. Review and approve Contractor Call Center scripts and written communications to Medicaid Individuals, Personal Care Assistants, Services Facilitators and others prior to release.

SECTION VI - PAYMENTS TO THE CONTRACTOR

Payment processes described in this Section shall be tested as part of the readiness for implementation review described in the RFP. Any changes required to the Contractor's processes as identified through readiness review activities shall be made by the Contractor prior to implementation. Costs associated with these changes shall be borne by the Contractor.

6.1 PAYMENT METHODOLOGY

6.1.1 Pass-Through Payment to Contractor for Payroll Timesheets on behalf of the Department.

Consumer-Directed Services

The Contractor Shall establish a non-interest bearing bank account (referred to herein as the CD-Services payroll payment account) separate and apart from the Contractor's Per Member Per Month (PMPM) account for administrative service payments from DMAS and any other Contractor account. Funds in the CD-Services payroll payment account shall only be used for paying payroll and federal and state taxes for employees of Medicaid Individuals (EORs) and shall not be pledged by the Contractor or used to secure a loan, guaranty, debt, or other obligation of the Contractor or any other person. DMAS will not be liable for over-draft charges or any other banking related charges assessed on the CD-Services payroll payment account.

6.1.2 The Contractor shall be responsible for submitting accurate payroll vouchers and supporting detail to the Department as encounter data, using the X12 837P format 5010 version and addenda documented in this RFP, within the timeframes necessary to meet Contractor payroll obligations, meet federal and state payroll tax responsibilities, and make payments as required by 42 C.F.R. Part 447 and Section 447.45.

6.1.3 Any monetary charges, fees, or penalties for claims not paid by the Contractor within prompt-pay claims processing requirements, as required by 42 C.F.R. Part 447 and Section 447.45 or charges, fees, or penalties imposed by any federal, state, or other entity related to the Contractor's obligations, shall be borne by and be the sole obligation of the Contractor.

6.1.4 Prior to submission of Consumer-Directed Services encounters vouchers to the Department, all Timesheets shall be approved by the Medicaid Individual (EOR) and have successfully passed the Contractor's payroll system edits preventing the following:

1. Timesheet payment and submission of vouchers for incorrect, incomplete, duplicative, or otherwise erroneous Timesheets.
2. Payment for unauthorized services.
3. Payment to ineligible individuals and employees.
4. Payment of Timesheets older than one year from the date of service.
5. Incorrect Patient Pay deductions.

6.1.5 The Contractor shall, upon discovery, immediately notify the Department of payroll errors resulting in incorrect billing and payment by the Department.

6.1.6 Payroll errors shall be reconciled and refunded in full to the Department within 30 calendar days of discovering the error. Installment refund payments to the Department are not allowed.

Consumer -Directed Services Payroll Vouchers

6.1.7 The Contractor shall submit encounters and supporting vouchers for Employee Timesheets of eligible Medicaid Individuals, to the Department, by 9:30 a.m. EST on Tuesdays (except on scheduled state holidays) each week to ensure timely payment to the employees in accordance with the Contractor's Payroll Schedules A and B.

6.1.8 Weekly payments from DMAS's fiscal agent to the Contractor will be comprised of a weekly payroll projection and a weekly reconciliation of actual payroll expenditures submitted as encounters on the 837P files for same schedule payrolls (e.g. Payroll A to Payroll A) as based on the Tuesday voucher from the Contractor.

6.1.9 All Tuesday vouchers shall include the following detail:

1. Pay schedule
2. Batch date
3. Pay period
4. Amount of payroll
5. Tax liabilities by waiver and program.

6.1.10 Weekly payroll projections will be derived from a forecast as determined by Department. The net amount from the weekly payroll projection and weekly reconciliation (timesheet voucher data submitted as encounters) will be deposited into the CD-Services bank account identified by the Contractor and acknowledged by the Department or its agent no later than 9 calendar days after receipt of an accurate voucher, as determined by the Department, on the voucher due date.

6.1.11 The Department and the Contractor agree to review and modify the Department's estimated projections, at least quarterly and more frequently if needed, to ensure that the weekly projections are to be sufficient to cover 100% of the weekly payroll after reconciliation.

Payroll Vouchers Performance Standard

6.1.12 Performance Standard: Weekly payroll vouchers shall be electronically submitted to the Department within the required timelines 100% of the time measured on a weekly basis.

6.2 ADMINISTRATIVE SERVICES ORGANIZATION (ASO) PAYMENTS

6.2.1 The Contractor shall be compensated for ASO responsibilities based on a fixed fee Per Member Per Month (PMPM) as determined by the RFP negotiations and subsequent contract award.

6.2.2 Each monthly payment to the Contractor shall be equal to the number of active, unduplicated Medicaid Individuals for whom Timesheets were paid during the month, as certified by the Department, multiplied by the administrative fee, less any performance penalties assessed during the corresponding PMPM period.

6.2.3 The Contractor's PMPM voucher to the Department shall include supporting transaction

detail, as identified by the Department.

6.2.4 The Department will not pay a maintenance fee for non-active Medicaid Individuals.

6.2.5 The Contractor shall not submit vouchers for Medicaid Individuals who only receive Contractor administrative services during the month, e.g., FICA or co-pay refunds, void and re-issued checks, or had other checks issued on the individual's behalf without the issuance of an employee paycheck in the weekly voucher period.

6.2.6 Payment Modifications

6.2.6.1 DMAS shall issue capitation payments on behalf of Medicaid Individuals at the rates established in this Contract, subject to any programmatic or budgetary changes that may result from legislative or Agency action.

6.2.6.2 In the event of an increase or decrease in active Medicaid Individuals participating in Consumer-Directed Services as defined in this RFP, the parties shall enter into good faith negotiations to agree upon revised payment terms to adjust the Contractor's compensation for the change in volume.

6.2.6.3 Should the number of active Medicaid Individuals participating in Consumer-Directed Services increase or decrease by 20% from the baseline population for the respective service, on the date of contract implementation, negotiations for a payment modification of the PMPM rate for the respective service shall take place with the Office of Procurement and Contract Management at DMAS.

6.2.6.4 In the event of federal or state regulatory or program changes or federally approved Medicaid Waiver changes for Virginia that result in an increase or decrease in population, the Contractor shall provide services specified under this RFP to the impacted population.

6.2.6.5 The Department reserves the right to negotiate payment to the Contractor as a result of any increase or decrease in population due to federal or state regulatory changes, or federally approved Medicaid waivers changes for Virginia or other managed care/Care Coordination initiatives.

6.2.6.6 The Department will notify the Contractor of any additions or deletions of programs and/or populations and the projected impact on payment as soon as the Department has sufficient information to determine the impact on the Contractor.

6.2.7 Cost Proposal

6.2.7.1 The Offeror shall submit one Cost Proposal and supporting detailed budget for Consumer-Directed Services that will form the basis of a payment arrangement. The Cost Proposal shall be submitted and structured to reflect Monthly PMPM payments for each year of the 3 years of the contract period.

6.2.7.2 The monthly capitation Cost Proposal for Consumer-Directed Services shall include direct Contractor costs. Administrative costs shall **not** include the following:

- Related party management fees in excess of actual cost
- Lobbying expenses
- Contributions
- State and Federal income taxes
- Administrative fees for services provided by a parent organization, which did not represent a pass through of actual costs
- Management fees relating to non-Virginia operations or operations in Virginia for other contracts
- Management fees paid for the sole purpose of securing an exclusive arrangement for the provision of services for specific Medicaid Individuals
- Administrative fee/royalty licensing agreements for services provided by a parent organization, which did not represent a pass through of actual costs
- Accruals for future losses
- Reserves based on estimates for bankrupt providers
- Unsupported expenses
- Travel, lodging, and meals
- Expenses related to the preparation of the proposal.

6.3 TRAVEL COMPENSATION

The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

6.4 PAYMENT OF INVOICE

The payment of the invoice, by the Department, shall not prejudice the Department's right to object to or question any invoice or matter in relation thereto. Such payment by the Department shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

6.5 PERFORMANCE STANDARDS AND PENALTIES - SERVICE LEVEL AGREEMENT

The Contractor shall meet or exceed the performance standards, described in this section, during the term of the contract. The Contractor shall submit performance reports in a format that is mutually agreed upon by the Department and the Contractor, and adhere to the reporting schedule outlined in Attachment IV of the RFP.

6.5.1 Service Area: Consumer-Directed Services (CD) Enrollment

RFP Section	CD Service Area	Performance Standard	Measure
§4.3.4	Requests for Contractor Services	Complete and correct service requests shall be successfully entered into the Contractor's database within three (3) Business Days of receipt.	99% of all complete and correct service requests measured on a weekly basis.

§4.4.6	Medicaid Individual Enrollment Packet Processing	Complete and correct employer enrollment packets shall be successfully processed and entered into the Contractor database within three (3) Business Days of receipt.	95% of complete and correct employer packets measured on a weekly basis.
§4.5.8	Employee Enrollment Packet Processing	Complete and correct Employment hire packets shall be successfully processed, including submission of all background checks, and entered into the Contractor's database within three (3) Business Days of receipt.	95% of complete and correct employment hire packets measured on a weekly basis.

The Contractor shall meet CD Enrollment Performance Standards, identified above, during a calendar month. If, in any calendar month, the Contractor fails to meet a weekly Enrollment Performance Standard, there shall be a 3% reduction in the Contractor's monthly CD capitation payment for the Enrollment Service Area. The maximum monthly penalty for the Enrollment Service Area is 3% .

6.5.2

Service Area: Consumer-Directed Services Timesheet, Payroll Processing, Withholdings, Reporting and Reconciliation.

RFP Section	CD Service Area	Performance Standard	Measure
§4.2.33	Pended Timesheets	Pended Timesheets that are within the purview of the Contractor to correct shall be less than one month old.	95% of Pended Timesheets shall be less than one month old, measured on a monthly basis.
§4.2.34	Timesheet payment	Correct Timesheets, received by the timesheet deadline, shall be accurately processed and disbursed by the payroll cycle pay date.	100% of timely and correct Timesheets are accurately disbursed, measured on a two week payroll cycle basis.

§4.8.14	Federal IRS Forms	Accurate filing of Federal Forms and paid within IRS timelines.	100% of Federal IRS Forms 940 and 941 shall be accurately filed and paid within IRS timelines.
§4.8.15	Virginia Department of Taxation Forms	Accurate filing of DOT Form VA-5 paid within DOT timelines.	100% of Virginia Department of Taxation (DOT) Form VA-5 shall be accurately filed and paid within DOT timelines.
§4.8.16	Virginia Employment Commission Forms	Accurate filing of Virginia Employment Commission Forms and paid within VEC timelines.	100% of Virginia Employment Commission Forms FC-20 and FC-21 shall be accurately filed and paid within VEC timelines.
§4.8.17	Garnishments, Levies, Liens, Releases and Refunds	Accurate set up, deductions, releases and refunds established by the Code of Virginia and Virginia Department of Labor and Industry.	100% of all garnishments, levies, liens, releases, and refunds shall be set up and accurately deducted or refunded within the timelines established by the Code of Virginia and Virginia Department of Labor and Industry.
§4.9.8	End of Year Tax Processes	Compliance with IRS, Social Security Administration, and Virginia tax filing requirements.	100% of state and federal annual information returns shall be in compliance with IRS, Social Security Administration, and Virginia tax filing requirements.

§6.2.12	Weekly payroll voucher submission to the Department	Weekly payroll vouchers shall be electronically submitted to the Department within the required timelines.	The Contractor shall meet the Department's payroll voucher submission timelines 100% of the time, measured on a weekly basis.
§4.10.9	Payroll and tax reconciliation reports	Quarterly and end of year payroll, tax, and related reconciliation reports shall be complete and submitted to the Department within RFP specified timelines.	100% of payroll and tax reconciliation reports shall be complete and submitted within RFP required timelines, measured on a quarterly and annual basis.
§4.10.10	Payroll and tax reconciliation refunds	Quarterly and end of year payroll and tax reconciliation refunds shall be complete and submitted to the Department within RFP specified timelines.	100% of payroll and tax reconciliation refunds shall be complete and submitted within RFP required timelines, measured on a quarterly and annual basis.

The Contractor shall meet Performance Standards, identified above, during a calendar month. If, in any calendar month, the Contractor fails to meet any of the performance standards, there shall be a 3% reduction in the Contractor's Monthly CD capitation payment. The maximum monthly penalty is 3%.

6.5.3 Service Area: Establish and Maintain Web portal, Website, and Call Center

RFP Section	CD Service Area	Performance Standard	Measure
§4.2.8	Web Portal Functionality	Web portal shall function and be accessible 24 hours/7 days a week	100% of web portal functionality shall be accessible 24 hours/7days a week

§4.2.47	Website Functionality	Website shall function and be accessible 24 hours/7 days a week	100% of website functionality shall be accessible 24 hours/7days a week
§4.12.6	Establish and Maintain Telephone Call Center	Contractor shall create and maintain a database to support all inbound and outbound calls.	100% of all inbound and outbound calls shall be accurately documented as measured on a monthly basis.
§4.12.24	Call Center Telecommunication	Call Center telecommunication systems shall be fully accessible and functional.	100% of all Call Center telecommunication systems shall be fully accessible and functional as measured on a monthly basis.
§4.12.24	Inbound Calls	Inbound calls shall be answered within the required timelines.	95% of inbound calls shall be answered within 3 rings or 15 seconds as measured on a monthly basis.
§4.12.24	Call Center Voice Mails, Phone Inquiries and Call Back Requests	All voice mails, call back requests, and phone inquiries shall be returned within one (1) Business Day.	100% of voice mails, call back requests, and phone inquiries shall be returned within one (1) Business Day measured on a weekly basis.

§4.12.24	Rate of Abandoned Calls	The rate of abandoned calls shall not exceed 5% of incoming calls.	95% of abandoned calls shall not exceed 5% of incoming calls regardless of queue placement and shall be measured on an average weekly basis.
4.12.24	Queue Wait Time	Call queue wait time shall not exceed 5 minutes regardless of queue placement	95% of all incoming and transferred calls shall be measure on an average weekly basis.

6.5.4 Maximum Reduction

The maximum Monthly PMPM (capitation) payment reduction for Consumer-Directed Services is 3% for failure to meet Service Area performance standards. Each calendar month constitutes a separate period for measuring the number of failures to achieve performance standards.

6.5.5 The Department will notify the Contractor, in writing, of any performance standards penalties that are assessed and the Contractor shall adjust the corresponding Consumer- Directed Services PMPM (capitation) invoice and the PMPM (capitation) invoice to reflect these penalties.

6.5.6 Reductions in the Contractor's capitation payments shall not impact the Contractor's weekly payroll payments or rates paid to Personal Care Assistants.

6.5.7 If any failure to meet a Performance Standard is directly and solely attributable to (i) a force majeure event or (ii) actions or omissions of the Department or a breach by the Department of this Contract, the Department shall not be entitled to receive penalties.

6.6 PAYMENT REDUCTIONS

The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that are determined by the Department not to constitute proper remuneration for compensable services on the basis of audits conducted in accordance with the terms of this RFP.

SECTION VII -PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

This RFP is issued by the Department of Medical Assistance Services (DMAS or the Department). The Department will be the sole point of contact with all interested Offerors from the date of release of the RFP until the contract is fully executed and signed. Offerors should not contact any state employees other than the individuals indicated in this RFP.

If it becomes necessary to revise any part of this RFP, or if additional data are necessary for an interpretation of provisions of this RFP prior to the due date for proposals, an addendum will be issued. Offerors must check eVA VBO at <http://www.eva.virginia.gov> for all official addenda or notices regarding this RFP. While DMAS also intends to post such notices on the DMAS website at http://www.dmas.virginia.gov/Content_pgs/rfp.aspx, eVA is the official and controlling posting site. If supplemental releases are necessary, the Department reserves the right to extend the due dates and time for receipt of proposals to accommodate such interpretations of additional data requirements.

Each Offeror shall submit a separate Technical Proposal and a Cost Proposal in relation to the requirements described in this RFP. The following describes the general requirements for each proposal and the specific requirements for the Technical Proposal and the Cost Proposal.

General Requirements for Technical and Cost Proposals

7.1 OVERVIEW

- 7.1.1** Both the Technical Proposal and the Cost Proposals shall be developed and submitted in accordance with the instructions outlined in this section. The Offeror's proposals shall be prepared simply and economically, and shall include a straightforward, concise description of the Offeror's capabilities that satisfy the requirements of the RFP. Although concise, the proposals should be thorough and detailed so that DMAS may properly evaluate the Offeror's capacity to provide the required services. All descriptions of services should include an explanation of proposed methodology, where applicable. The proposals may include additional information that the Offeror considers relevant to this RFP.
- 7.1.2** The proposals should be organized in the order specified in this RFP. A proposal that is not organized in this manner risks elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed. The Department and the evaluators are not obligated to ask an Offeror to identify where an RFP requirement is addressed, and no Offeror should assume that it will have an opportunity to supplement its proposal or to assist the evaluators in understanding and evaluating its proposal.

7.2 BINDING OF PROPOSAL

- 7.2.1** The Technical Proposal shall be clearly labeled "RFP 2018-07 Technical Proposal" on the front cover. The Cost Proposal shall be clearly labeled "RFP 2018-07 Cost Proposal" on the front cover. The legal name of the organization submitting the proposal shall also appear on the covers of both the Technical Proposal and the Cost Proposal.
- 7.2.2** The proposals shall be typed, bound, page-numbered, single-spaced with a 12-point font on 8 1/2" x 11" paper with 1" margins, and printed on one side only. It shall be acceptable for Offerors to use a larger font size for section headings or a smaller font size for footers, tables, graphics, exhibits, or similar sections. Larger graphics, exhibits, organization charts, and network diagrams may be printed on larger paper as a foldout if 8 1/2" x 11" paper is not practical. Each copy of the Technical Proposal and each copy of the Cost Proposal and all documentation submitted shall be contained in single three-ring binder.

volumes where practical. The proposal shall contain a Table of Contents (Reference requirements in Section 7.3). A tab sheet keyed to the Table of Contents shall separate each major section. The title of each major section shall appear on the tab sheet.

7.2.3 The Offeror shall submit one original and five (5) copies of the Technical Proposal and one original of the Cost Proposal by the response date and time specified in this RFP. Each copy of the proposal shall be bound separately. This submission shall be in a sealed envelope or sealed box clearly marked "RFP 2018-07 Technical Proposal." In addition, the original of the Cost Proposal shall be sealed separately, clearly marked "RFP 2018-07 Cost Proposal" and submitted by the response date and time specified in this RFP. The Cost Proposal form in Attachment V shall be used. The Offeror shall also submit one electronic copy (compact disc or flash drive preferred) of their Technical Proposal in MS Word format (Microsoft Word 2010 or compatible format) and their Cost Proposal in MS Excel format (Microsoft Word/Excel 2010 or compatible format). In addition, the Offeror shall submit a redacted electronic copy in PDF of the Technical Proposal and their Cost Proposal, in the Offeror has removed proprietary and confidential information. Please note that, as described below, merely redacting information is not sufficient to comply with *Code of Virginia* § 2.2-4342(F).

7.3 TABLE OF CONTENTS

The proposals shall contain a Table of Contents that cross-references the RFP submittal requirements in Section 4 Technical Proposal Requirements, and Section 7.10 Technical Proposal. Each section of the Technical Proposal shall be cross-referenced to the appropriate section of the RFP that is being addressed. This will assist DMAS in determining uniform compliance with specific RFP requirements.

7.4 SUBMISSION REQUIREMENTS

7.4.1 All information requested in this RFP shall be submitted in the Offeror's proposal. A Technical Proposal shall be submitted and Cost Proposals shall be submitted in the Offeror's collective response. The proposals will be evaluated separately. By submitting a proposal in response to this RFP, the Offeror certifies that all of the information provided is true and accurate.

7.4.2 All data, materials and documentation originated and prepared for the Commonwealth pursuant to this RFP, belong exclusively to the Commonwealth and shall be subject to public inspection in accordance with the Virginia Freedom of Information Act and subject to *Code of Virginia* § 2.2-4342. Confidential information shall be clearly marked in the proposal and reasons the information should be confidential shall be clearly stated.

7.4.3 Trade secrets or proprietary information submitted by an Offeror are not subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror shall invoke the protections of Section 2.2-4342(F) of the *Code of Virginia*, in writing, either before or at the time the data is submitted. The written notice shall specifically identify the data or materials to be protected and state the reasons why protection is necessary.

7.4.4 The Contractor assures that information and data obtained as to personal facts and circumstances related to Medicaid Individuals will be collected and held confidential during and following the term of this agreement, and will not be divulged without the individual's and the Department's written consent. Any information to be disclosed, except to the Department, must be in summary, statistical, or other form, which does not identify particular individuals.

7.4.5 The proprietary or trade secret materials submitted shall be identified by some distinct method, such as highlighting or underlining, and shall indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The electronic redacted copy of the technical proposal and cost proposal shall have the proprietary and confidential information removed or blocked out in its entirety so the content is not visible. **The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and, in the sole discretion of DMAS, may result in rejection and return of the proposal.** Attachment VII of this RFP shall be used for the identification of proprietary or confidential information and submitted with the technical response.

7.4.6 All information requested by this RFP on ownership, utilization, and planned involvement of small businesses, small women-owned businesses, and small minority-owned business (Attachment VIII) shall be submitted with the Offeror's Cost Proposals.

7.5 TRANSMITTAL LETTER

The transmittal letter shall be on official organization letterhead and signed by the individual authorized to legally bind the Offeror to contract agreements and the terms and conditions contained in this RFP. The organization official who signs the proposal transmittal letter shall be the same person who signs the cover page of the RFP and Addenda (if issued).

At a minimum, the transmittal letter shall contain the following:

1. A statement that the Offeror meets the required conditions to be an eligible candidate for the contract award including:
 - a. The Offeror must identify any contracts or agreements they have with any state or local Government entity that is a Medicaid and/or Title XXI State Child Health Insurance Program prescribing practitioner or Contractor and the general circumstances of the contract or agreement. This information will be reviewed by DMAS to ensure there are no potential conflicts of interest;
 - b. The Offeror must be able to present sufficient assurances to the state that the award of the contract to the Offeror will not create a conflict of interest between the Contractor, the Department, and its Subcontractors;
 - c. The Offeror must be licensed to conduct business in the State of Virginia;
2. A statement that the Offeror has read, understands, and agrees to perform all of the Contractor responsibilities and comply with all of the requirements and terms set forth in this RFP, any modifications of this RFP, and the Contract and Addenda;

3. The Offeror's general information including the address, telephone number, and facsimile transmission number;
4. Designation of an individual to include their e-mail and telephone number, as the authorized representative of the organization who will interact with DMAS on any matters pertaining to this RFP and the resultant contract; and
5. A statement agreeing that the Offeror's proposal shall be valid for a minimum of 180 days from its submission to DMAS.

7.6 SIGNED COVER PAGE OF THE RFP AND ADDENDA

To attest to all RFP terms and conditions, the authorized representative of the Offeror shall sign the cover page of this RFP, as well as the cover page of the Addenda (if issued), to the RFP; the "Certification of Compliance with Prohibition of Political Contributions and Gifts during the Procurement Process" form (Attachment IX); and The State Corporate Commission form (Attachment X); and submit them along with its Technical Proposal.

7.7 PROCUREMENT CONTACT

The principal point of contact for this procurement in DMAS shall be:

Nicole Scott

Waiver Policy and
Consumer-Directed
Services Unit

Department of Medical Assistance Services

600 East Broad Street, Suite 1300

Richmond, VA
23219

E-mail: RFP2018-07@dmass.virginia.gov

All communications with DMAS regarding this RFP should be directed to the principal point of contact or the DMAS Contract Management Officer named in the cover memo. All RFP content-related questions shall be in writing to the principal point of contact. An Offeror who communicates with any other employees or Contractors of DMAS concerning this RFP after issuance of the RFP may be disqualified from this procurement

7.8 SUBMISSION AND ACCEPTANCE OF PROPOSALS

The proposals, whether mailed or hand delivered, shall arrive at DMAS no later than 10:00 AM Eastern Time on June 15, 2018. DMAS shall be the sole determining party in establishing the time of arrival of proposals. Late proposals will not be accepted and will be automatically rejected from further

consideration. The address for delivery is:

Proposals may be sent by US Postal Service, Federal Express, UPS, etc. to:

Department of Medical Assistance Services
Attention: Whitney Speece
600 East Broad Street, Suite 1300
Richmond, VA
23219

Hand Delivery or Courier to:

Department of Medical Assistance Services
Attention: Whitney Speece
7th Floor DMAS
Receptionist
600 East Broad Street
Richmond, VA
23219

DMAS reserves the right to reject all proposals under *Code of Virginia* § 2.2-4319. DMAS reserves the right to delay implementation of the RFP if a satisfactory Contractor is not identified or if DMAS determines a delay is necessary to ensure implementation goes smoothly without service interruption. Offerors must check the eVA VBO at <http://www.eva.virginia.gov> for all official postings of addendums or notices regarding this RFP. DMAS also intends to post such notices on the DMAS website at http://www.dmas.virginia.gov/Content_pgs/rfp.aspx but the eVA VBO is the official posting site that Offerors must monitor.

7.9 ORAL PRESENTATION AND SITE VISIT

At any point in the evaluation process, DMAS may employ any or all of the following means of evaluation:

- DMAS review of Industry Publications and Research
- Offeror Presentations
- Site Visits to Offeror
- Contacting Offeror's References
- Product Demonstrations by the Offeror
- Obtain a Dun and Bradstreet Report on the Offeror
- Obtain a Securities Exchange Commission Report on the Offeror
- Requesting Offerors to elaborate on and/or clarify specific portions of their proposals.

No Offeror is guaranteed an opportunity to explain, supplement, or amend its initial proposal. Offerors must not submit a proposal assuming that there will be an opportunity to negotiate, amend, or clarify any aspect of their submitted proposals. Therefore, each Offeror is encouraged

to ensure that its initial proposal contains and represents its best offering.

Offerors should be prepared to conduct product demonstrations, presentations, or site visits at the time, date, and location of DMAS' choice should DMAS so request.

DMAS may make one or more on-site visits to see the Offeror's operation of another contract. DMAS shall be solely responsible for its own expenses for travel, food, and lodging.

The following describes the required format, content, and sequence of presentations for the Technical Proposal:

7.10.1 Chapter One Executive Summary

The Executive Summary Chapter shall highlight the Offeror's:

1. Understanding of the project requirements.
2. Qualifications to serve as the DMAS Contractor for the project.
3. Overall Approach to the project and a summary of the contents of the proposal.

7.10.2 Chapter Two: Corporate Qualifications and Experience

Chapter Two shall present the Offeror's qualifications and experience to serve as the Contractor for the project. Specifically, the Offeror shall describe:

1. Organization Status:
 - a. Name of the Project Director for the Virginia contract and the amount of time the Project Director is dedicated to this project, initially as well as ongoing, if awarded;
 - b. Name, address, telephone number, fax number, and e-mail address of legal entity with whom the contract is to be written;
 - c. Federal employer ID number, specific FEIN for Vendor F/EA services, and DUNS Number;
 - d. The names, addresses, and telephone numbers of principal officers (president, vice-president, treasurer, chairperson of the board of directors, and other executive officers);
 - e. Name of the parent organization and major subsidiaries;
 - f. Major business services;
 - g. Legal status or whether a for-profit or a not-for-profit company;
 - h. A list of board individuals and their organizational affiliations
 - i. Current Organization chart; and
 - j. Any specific licenses and accreditation held by the Offeror.
2. Corporate Experience:
 - a. The Offeror's overall qualifications to carry out a project of this nature and scope.
 - b. The Offeror shall describe the background and success of the Offeror's organization and experience in Vendor F/EA Services and invoice payment services, specifically implementing state programs.
 - c. The Offeror's knowledge of Medicaid populations, Consumer-Directed Services, and home and community supports and services.
 - d. For each experience with operating, managing, or contracting for the provision of F/EA services or other financial administration services, the Offeror shall indicate the contract or project title; dates of performance, scope and complexity of contract; and customer references (see

below).

- e. Any other related experience the Offeror thinks is relevant shall be included.
- f. The Offeror shall indicate whether the Offeror has had a contract terminated, for any reason, within the last 5 years, and explain the reason; and
- g. The Offeror also shall indicate if a claim was made on a payment or performance bond. If so, the Offeror shall submit full details of the termination and the bonds including the other party's name, address, and telephone number.

3. References:

- a. Three, non-Offeror owned customers who will substantiate the Offeror's qualifications and capabilities to operate as an F/EA operating under Section 3504 of the IRS Code, including Agent Employment Tax Liability proposed Regulations (REG-137036-08) issued by the IRS on January 13, 2010; and Revenue Procedure 70-6. References should be able to attest to the Offerors experience with providing and receiving interface files for data loads.
- b. Three non-Offeror owned customers who can attest to the Offeror's experience with providing and receiving interface files for data loads.
- c. Contact information for all F/EA contracts, both Medicaid and non- Medicaid, held by the Offeror at any time since January 1, 2012.

The Offeror shall complete the Reference Form in Attachment VI for each reference and contact, which includes the contract name, address, telephone number, contact person, and periods of work performance. DMAS will not accept DMAS employees as references.

4. Financial Stability:

The Offeror shall submit evidence of financial stability. The Offeror shall submit one of the following financial reports (a or b):

- a. For a publicly held corporation, a copy of the most recent 3 years of audited financial reports and financial statements with the name, address, and telephone number of a responsible person in the Offeror's principal financial or banking organization; or
- b. For a privately held corporation, sole proprietorship, limited liability company, partnership, or other organization or entity, financial information for the past 3 years, similar to that included in an annual report, to include at a minimum, an income statement; a statement of cash flows; a balance sheet; number of years in business; and telephone number of a contact in the Offeror's principal financial or banking organization and its auditor.

7.10.3 Chapter Three: Technical Approach

The Offeror shall fully describe how it intends to meet all Technical Proposal requirements listed in this RFP. DMAS does not want a "re-write" of the RFP requirements. Specifically, the Offeror shall describe in detail its proposed approach for each of the required tasks listed in Sections 3 and 4, including any staff, systems, procedures, or materials that will be used to perform these tasks. This includes how each task will be performed, what problems need to be overcome, what functions the staff will perform, and what assistance will be needed from DMAS, if any. DMAS is not providing a template for the Technical Proposal as it is up to the Offeror to provide the information clearly and concisely.

7.10.4 Chapter Four: Staffing

The proposal shall describe the following:

- a. Staffing Plan: The Offeror shall provide a functional organizational chart of the proposed project structure and organization, indicating the lines of authority for proposed staff directly involved in the performance of this contract and relationships of the staff to each function of the organization. The staffing plan shall indicate the number of proposed FTEs by position and an estimate of hours to be committed to the project by each staff position. The plan shall also show the number of staff to be employed by the Contractor and staff to be obtained through subcontracting arrangements. Contact information must be provided for all key staff involved in the implementation and ongoing management of the program.

Offerors shall submit 2 references for each proposed key staff member, showing work for previous customers who have received similar services to those proposed by the Offeror for this contract. Each reference must include the name of the contact person, address, telephone number and description of services provided.

- b. Staff Qualifications and Resumes: Job descriptions for all key staff on the project including qualifications, experience, and/or expertise required shall be included. Resumes limited to 2 pages must be included for key staff. The resumes of personnel proposed must include qualifications, experience, relevant education, professional certifications, and training for the position they will fill.
- c. Office Location: A description of the geographical location of its firm at the national, regional, and local levels, as applicable. The Offeror shall identify all locations that will be used to support a resultant contract and the operations handled from these locations (Note Virginia- based locations that will be used).

7.10.5 Chapter Five: Project Work Plan

The proposal shall describe the following:

Work Plan and Project Management: The proposal shall include a work plan (Microsoft Project 2010 or compatible version) detailing the sequence of events and the time required to implement this project by January 2019. The relationship between key staff and the specific tasks and assignments proposed to accomplish the scope of work shall also be included. A PERT, Gantt, or Bar Chart that clearly outlines the contract timetable from beginning to end shall be included in the proposal. Key dates and key events relative to the project shall be clearly shown on the chart including the critical path of tasks. The Offeror shall describe its management approach and how its proposed work plan will be executed.

Progress Reports: Upon award of a contract, the Contractor must prepare a written progress report, as well as telephonic meetings, every week or more frequently, as necessary, and present this report to the Manager, Waiver Policy and Consumer-Directed Services Unit, or his/her designee (Reference Section 2.2). The report must include:

- a. Status of major activities and tasks in relation to the Contractor's work plan, including specific tasks completed for each part of the project.

- b. Target dates for completion of remaining or upcoming tasks/activities.
- c. Any potential delays or problems anticipated or encountered in reaching target dates and the reason for such delays.
- d. Any revisions to the overall work schedule.

7.10.6 Chapter Six: Current Comprehensive F/EA Policy and Procedure Manual

The Offeror shall submit a current comprehensive F/EA Policy and Procedure Manual for a similar project.

7.10.7 Chapter Seven: Current Enrollment and Employment Packet

The Offeror shall submit samples of enrollment packets for Medicaid Individuals and their employees that contain information about the Offeror's services and operations and required enrollment documents.

7.10.8 Chapter Eight: Required Forms

This chapter shall contain the signatory documents as outlined in the RFP, which include the following:

- a. RFP Cover Sheet
- b. RFP Addenda (if issued)
- c. Offeror's Transmittal Letter
- d. Certification of Compliance with Prohibition of Political Contributions and Gifts during the Procurement Process (Attachment IX)
- e. Proprietary/Confidential Information Identification Form (Attachment VII)
- f. State Corporation Commission Form (Attachment X)

7.10.9 Appendices:

The Offeror shall submit all RFP required reports, plans, performance data, templates, personnel, and other materials in an appendix labeled to correspond with the required documents.

7.11 COST PROPOSALS

- 7.11.1 The Cost Proposals shall include all Offeror's costs and shall be in a separately sealed envelope/package and submitted along with the Offeror's Technical Proposal. The format in (Attachment V) shall be used.
- 7.11.2 The Offeror shall list one PMPM per contract year for F/EA services with supporting detailed budgets for each year of contract (3 years).
- 7.11.3 The Cost Proposals shall also include a separate budget for all start-up and implementation costs (the period between the date of contract execution and the date of the start of operations). These costs shall include all pre-rollout orientation and training for Medicaid Individuals, Services Facilitators and other stakeholders; initial enrollment of Medicaid Individuals and their employees and itemized costs for the F/EA Services web portal.

- 7.11.4 The Offeror's Small Business Subcontracting Plan (Attachment VIII) shall be included with the Offeror's Cost Proposal submission.

SECTION VIII - PROPOSAL EVALUATION CRITERIA

DMAS will evaluate the Technical and Cost Proposals received in response to this RFP in a fair and impartial manner provided for by the Virginia Public Procurement Act (*Virginia Code* § 2.2-4300, *et seq.*). The Evaluation Team will be responsible for the review and scoring of all Technical Proposals and the Office of Procurement and Contract Management will review and score the Cost Proposals and Small Business Subcontracting Plans. This group will be responsible for making the final recommendation to award to the DMAS Director.

8.1 EVALUATION OF MINIMUM REQUIREMENTS

DMAS will initially determine if each proposal addresses the minimum RFP requirements to permit a complete evaluation of the Technical and Cost Proposals. Proposals shall comply with the instructions to Offerors contained throughout this RFP. Failure to comply with the instructions may result in a lower score or elimination from further consideration. Reference Agency Procurement and Surplus Property Manual (APSPM) § 7.3(b). DMAS reserves the right to waive minor irregularities.

The minimum requirements for a proposal to be given consideration are:

- **Letter of Intent:** Offeror shall have submitted a Letter of Intent (LOI) before the due date/time as provided on RFP cover page.
- **RFP Cover Sheet, Addenda (if issued), Transmittal Letter, Certification of Compliance with Prohibition of Political Contributions and Gifts During the Procurement Process (Attachment IX), Proprietary/Confidential Information Identification Form (Attachment VII), and State Corporation Commission Form (Attachment X):** These shall be completed and properly signed by the authorized representative of the organization.
- **Closing Date:** The proposal and the number of copies specified in Section 7 will have been received by the closing date for acceptance of proposals.
- **Mandatory Conditions:** All mandatory General and Special Terms and Conditions contained will be accepted.
- **Small Business Subcontracting Plan:** Summarize the planned utilization of Department of Small Business and Supplier Diversity (DSBSD)-certified small businesses under the contract to be awarded as a result of this solicitation. (Attachment VIII). **The Small Business Subcontracting Plan is a requirement for all prime contracts in excess of \$100,000 unless no subcontracting opportunities exist and is a scored criterion and, if applicable, documents the Offeror and/or their planned subcontractors as a small business certified by the Department of Small Business and Supplier Diversity (DSBSD). Offerors are encouraged to populate the table with their plans to utilize small businesses from joint ventures, partnerships, suppliers, etc. Regardless of planned Small Business utilization, all proposals must have this attachment included in their Cost Proposal. For evaluation**

purposes of this procurement, the Small Business and Subcontracting Plan in Attachment VIII should only include small businesses proposed to be used as subcontractors in performing the scope of work and paid with administrative dollars as outlined in the Offeror's Cost Details for Pricing (Attachment V).

DSBSD is the only Virginia agency authorized to certify small businesses, and DMAS will not question, re-evaluate, investigate, or otherwise look behind DSBSD's certification decisions. DMAS will evaluate the Small Business Subcontracting Plan in accordance with APSPM §7.2(j) and solely by checking, through DSBSD's website, the certification status as of the due date for receipt of proposals. The Department reserves the right to check and/or verify DSBSD status at any time during the evaluation process, and to adjust scoring accordingly. To receive the maximum score for the Small Business Subcontracting Plan criterion, the submitting Offeror must be a small business as certified by DSBSD

8.2 PROPOSAL EVALUATION CRITERIA

The broad criteria for evaluating proposals include the elements below:

Criteria	Weights
1. Experience and Qualifications	10%
<ul style="list-style-type: none"> • Credentials to deliver F/EA and Managed Long Term Care Supports and Services. • Experience in performing services within the past year(s) most comparable to the Offeror's proposal, to include a description of the type, size, and duration of previous experience. • Experience in working with indigent populations, particularly Medicaid Individuals who receive Consumer-Directed Services and Managed Long Term Care Supports and Services, in a health care delivery system. • Demonstrated financial stability. 	
2. Technical Proposal and Staffing	

<ul style="list-style-type: none"> • Demonstration in the written proposal of the Offeror’s capability, Facilities, equipment, resources, and capacity to provide all required services described in this RFP in a timely, efficient, accurate, and professional manner. • Demonstrated understanding of Virginia Consumer-Directed Services. • Proposal includes effective strategies and program operations for the Offeror to: <ul style="list-style-type: none"> i) Secure necessary federal approval to perform F/EA functions ii) Process requests for F/EA services ii) Communicate with Medicaid Individuals (EORs) and their employees iv) Outreach, orient, and train Medicaid Individuals (EORs) and Service Facilitators or Designated Entity v) Process employer and employee enrollment packets vi) Conduct background checks vii) Verify employment eligibility viii) Receive and process Timesheets ix) Process and disburse payroll x) Manage state and federal tax processes xi) Reconcile taxes and financials xii) Provide internal audit controls related to the performance of financial administration functions xiii) Monitor and provide program operations Quality Assurance activities xiv) Manage suspected fraud and abuse xv) Resolve Complaints and Grievances xvi) Provide customer assistance xvii) Maintain compliance with HIPAA and related confidentiality requirements xviii) Maximize the use of technology through integrated, scalable data systems; secure website portals for timesheet, payroll, invoice, and enrollment processing; and an IVR system for scalable Call Center Operations xix) Implement and maintain electronic data systems interface with VAMMIS xx) Provide timely and accurate reports to the Department xxi) Submit timely and accurate invoices and claims to the Department • Offeror’s proposal demonstrates necessary organizational structure; sufficient staffing levels; and qualified, experienced, and trained staff necessary to successfully meet all RFP deliverables. • Project work plan and management approach demonstrates capability to successfully implement all RFP requirements in a timely, effective, and efficient manne <p>During the periods specified in this RFP, Offeror’s operational materials; reports; plans; and samples of Offeror performance demonstrate knowledge and capability to successfully meet all RFP requirements in a timely, accurate, and efficient manner.</p>	<p>50%</p>
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3. References	5%
References that support the Offeror's experience and abilities with respect to this contract and who substantiate the Offeror's qualifications and capabilities to perform the required services. References who substantiate the quality of the work processes and outputs of the Offeror.	
4. Small Business Subcontracting Plan (Attachment XIII)	20%
5. Cost Proposal	15%
The PMPM Cost Proposal (Attachment V): For purposes of evaluation, each Offeror's PMPM cost by Medicaid Individual shall be multiplied by the average monthly number of active, unduplicated Medicaid Individuals for whom a paycheck was issued (CD Services) within the PMPM month. The Offeror with the lowest Cost Proposal shall be identified and all other Offeror costs shall be evaluated in comparison to this price bid.	

The Cost Proposal shall be evaluated and weighted but is not the sole deciding factor for the RFP. The lowest Cost Proposal shall be scored the maximum number of evaluation points for cost. All other Cost Proposals shall be evaluated and assigned points for cost in relation to the lowest Cost Proposal. Although Cost Proposals are evaluated and weighted, they are not the sole deciding factor for the RFP.

SECTION IX GENERAL TERMS AND CONDITIONS

9.1 VENDORS MANUAL

This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.eva.virginia.gov under "Vendors Manual" on the vendors tab.

9.2 APPLICABLE LAWS AND COURTS

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia, without regard to its choice of law provisions, and any litigation with respect thereto shall be brought in the circuit courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

9.3 ANTI-DISCRIMINATION

By submitting its proposal, Offerors certify to the Commonwealth that it will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the *Virginia Public Procurement Act* (VPPA), and any other applicable laws. If the award is made to a faith-based organization, the organization shall not discriminate against any individual of goods, services, or disbursements made pursuant to the contract on the basis of the individual's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, sex, gender, disability or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1 E).

In every contract over \$10,000, the provisions in Sections 9.3.1 and 9.3.2. below apply:

9.3.1. During the performance of this contract, the Contractor agrees as follows:

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
- c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- d. The requirements of these provisions 9.3.1 and 9.3.2, herein, are a material part of the contract. If the Contractor violates one of these provisions, the Commonwealth may terminate the affected part of this contract for breach, or at its option, the whole contract. Violation of one of these provisions may also result in debarment from State contracting regardless of whether the specific contract is terminated.
- e. In accordance with Executive Order 61 (2017), a prohibition on discrimination by the contractor, in its employment practices, subcontracting practices, and delivery of goods or services, on the basis of race, sex, color, national origin, religion, sexual orientation, gender identity, age, political affiliation, disability, or veteran status, is hereby incorporated in this contract.

9.3.2. The Contractor shall include the provisions of 9.3.1 above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

9.4 ETHICS IN PUBLIC CONTRACTING

By submitting their proposals, Offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

9.5 IMMIGRATION REFORM AND CONTROL ACT OF 1986

By entering into a written contract with the Commonwealth of Virginia (COV), the Contractor certifies that the Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the Federal Immigration Reform and Control Act of 1986.

9.6 DEBARMENT STATUS

By participating in this procurement, the vendor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting a response for the type of goods and/or services covered by this solicitation. Vendor further certifies that they are not debarred from filling any order or accepting any resulting order, or that they are an agent of any person or entity that is currently debarred by the Commonwealth of Virginia.

If a vendor is created or used for the purpose of circumventing a debarment decision against another vendor, the non-debarred vendor will be debarred for the same time period as the debarred vendor.

9.7 ANTITRUST

By entering into a contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

9.8 MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS

Failure to submit a proposal on the official State form, in this case the completed and signed RFP Cover Sheet, may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

9.9 CLARIFICATION OF TERMS

If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact Nicole Scott at RFP2018-07@dmass.virginia.gov no later than 10:00 PAM Eastern Time, on May 21, 2018. Any revisions to the solicitation will be made only by addendum issued by the buyer.

9.10 PAYMENT

1. To Prime Contractor:

- a) Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual Contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b) Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c) All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the Contractor at the contract price, regardless of which public agency is being billed.
- d) The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e) Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be resolved in accordance with *Code of Virginia* § 2.2-4363-4364. Upon determining that invoiced charges are not reasonable, the Commonwealth shall notify the contractor of defects or improprieties in invoices within fifteen (15) days as required in *Code of Virginia*, § 2.2-4351. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 2.2-4363).

2. To Subcontractors:

- a. Within seven (7) days of the contractor's receipt of payment from the Commonwealth, a Contractor awarded a contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
 - (2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.

- b. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.
- 3. Each prime contractor who wins an award in which provision of a SWaM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWaM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.
- 4. The Commonwealth of Virginia encourages Contractors and subcontractors to accept electronic and credit card payments.

9.11 PRECEDENCE OF TERMS

The following General Terms and Conditions: *VENDORS MANUAL*, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

9.12 QUALIFICATIONS OF OFFERORS

The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Commonwealth that such Offeror is properly qualified to carry out the obligations of the Contract and to provide the services and/or furnish the goods contemplated therein.

9.13 TESTING AND INSPECTION

The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

9.14 ASSIGNMENT OF CONTRACT

A contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth. Any assignment made in violation of this section will be void.

9.15 CHANGES TO THE CONTRACT

Changes can be made to the contract in any of the following ways:

1. The parties may agree in writing to modify the terms, conditions, or scope of the contract. Any additional goods or services to be provided shall be of a sort that is ancillary to the contract goods or services, or within the same broad product or service categories as were included in the contract award. Any increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract. **In any such change to the resulting contract, no increase to the contract price shall be permitted without adequate consideration, and no waiver of any contract requirement that results in savings to the Contractor shall be permitted without adequate consideration. Pursuant to Code of Virginia § 2.2-4309, the value of any fixed-price contract shall not be increased via modification by more than 25% without the prior approval of the Division of Purchases and Supply of the Virginia Department of General Services.**
2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt, unless the contractor intends to claim an adjustment to compensation, schedule, or other contractual impact that would be caused by complying with such notice, in which case the contractor shall, in writing, promptly notify the Purchasing Agency of the adjustment to be sought, and before proceeding to comply with the notice, shall await the Purchasing Agency's written decision affirming, modifying, or revoking the prior written notice. If the Purchasing Agency decides to issue a notice that requires an adjustment to compensation, the contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Department's right to audit the Contractor's records and/or to determine the correct number of units independently; or

- c. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Department with all vouchers and records of expenses incurred and savings realized. The Department shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Department within thirty (30) days from the date of receipt of the written order from the Department. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by the Department or with the performance of the contract generally.

9.16 DEFAULT

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies, which the Commonwealth may have.

9.17 INSURANCE

By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 *et seq.* of the *Code of Virginia*. The Offeror further certifies that the Contractor and any subcontractor will maintain this insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS

1. Workers' Compensation: statutory requirements and benefits: Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.
2. Employer's Liability: \$100,000.

3. Commercial General Liability: \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
4. Automobile Liability: \$1,000,000 combined single limit. (Required only if a motor vehicle not owned by the Commonwealth is to be used in the contract. Contractor must assure that the required coverage is maintained by the Contractor (or third party owner of such motor vehicle.)

9.18 ANNOUNCEMENT OF AWARD

Upon the award or the announcement of the decision to award a contract as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA VBO (www.eva.virginia.gov) for a minimum of ten (10) days.

9.19 DRUG-FREE WORKPLACE

During the performance of this contract, the Contractor agrees to:

1. Provide a drug-free workplace for the Contractor's employees;
2. Post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
3. State in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and
4. Include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

9.20 NONDISCRIMINATION OF CONTRACTORS

A bidder, Offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or Offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious

character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternate provider.

9.21 EVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION, CONTRACTS, AND ORDERS

The eVA Internet electronic procurement solution, web site portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution by completing the free eVA Vendor Registration. All bidders or offerors must register in eVA and pay the Vendor Transaction Fees specified below; failure to register will result in the bid/proposal being rejected.

Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

- a. For orders issued July 1, 2014, and after, the Vendor Transaction Fee is:
 - (i) DSBSD-certified Small Businesses: 1%, capped at \$500 per order.
 - (ii) Businesses that are not DSBSD-certified Small Businesses: 1%, capped at \$1,500 per order.
- b. Refer to Special Term and Condition "eVA Orders and Contracts" to identify the number of purchase orders that will be issued as a result of this solicitation/contract with the eVA transaction fee specified above assessed for each order.

For orders issued prior to July 1, 2014, the vendor transaction fees can be found at www.eVA.virginia.gov.

The specified vendor transaction fee will be invoiced, by the Commonwealth of Virginia Department of General Services, typically within sixty (60) days of the order issue date. Any adjustments (increases/decreases) will be handled through purchase order changes.

9.22 AVAILABILITY OF FUNDS

It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent that the legislature has appropriated funds that are legally available or may hereafter become legally available for the purpose of this agreement.

When the Department makes a determination that funds are not adequately appropriated or otherwise unavailable to support continuance of performance of this Contract, the Department shall, in whole or in part, cancel or terminate this Contract.

The Department's payment of funds for purposes of this Contract is subject to and conditioned upon the availability of funds for such purposes, whether federal and/or state funds. The Department may terminate this Contract at any time prior to the completion of this Contract, if, in the sole opinion of the Department, funding becomes unavailable for these services or such funds are restricted or reduced. In the event that funds are restricted or reduced, it is agreed by both parties that, at the sole discretion of the Department, this Contract may be amended. If the Contractor shall be unable or unwilling to provide covered services at reduced rates, the Contract shall be terminated.

No damages, losses, or expenses may be sought by the Contractor against the Department, if, in the sole determination of the Department, funds become unavailable before or after this Contract is executed. Determinations by the Department that funds are not appropriated or are otherwise inadequate or unavailable to support the continuance of this Contract shall be final and conclusive.

9.23 SET-ASIDES IN ACCORDANCE WITH THE SMALL BUSINESS ENHANCEMENT AWARD PRIORITY

This solicitation is set-aside for award priority to DSBSD-certified micro businesses or small businesses when designated as "Micro Business Set-Aside Award Priority" or "Small Business Set-Aside Award Priority" accordingly in the solicitation. DSBSD-certified micro businesses or small businesses also include DSBSD-certified women-owned and minority-owned businesses when they have received the DSBSD small business certification. For purposes of award, bidders/offerors shall be deemed micro businesses or small businesses if and only if they are certified as such by DSBSD on the due date for receipt of bids/proposals.

9.24 PRICE CURRENCY

Unless stated otherwise in the solicitation, Offerors shall state offer prices in US dollars.

9.25 AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH

The Contractor organized as a stock or non-stock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the *Virginia Public Procurement Act* shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. The Department may void the Contract with the Contractor if the Contractor fails to remain in compliance with the provisions of this section.

SECTION X SPECIAL TERMS AND CONDITIONS

10.1 ACCESS TO PREMISES

The Contractor shall allow duly authorized agents or representatives of the state or federal government, during normal business hours, access to Contractor's and subcontractors' premises, to inspect, audit, monitor or otherwise evaluate the performance of the Contractor's and subcontractor's contractual activities and shall forthwith produce all records requested as part of such review or audit. In the event right of access is requested under this section, the Contractor and subcontractor shall, upon request, provide and make available staff to assist in the audit or inspection effort, and provide adequate space

on the premises to reasonably accommodate the state or federal personnel conducting the audit or inspection effort. All inspections or audits shall be conducted in a manner as will not unduly interfere with the performance of Contractor or subcontractor's activities. The Contractor shall be given thirty (30) calendar days to respond to any preliminary findings of an audit before the Department shall finalize its findings. All information so obtained will be accorded confidential treatment as provided under applicable law.

The Department, the Office of the Attorney General of the Commonwealth of Virginia (including the Medicaid Fraud Control Unit or MFCU), the Auditor of Public Accounts of the Commonwealth of Virginia, the U.S. Department of Health and Human Services, and/or their duly authorized representatives shall be allowed access to evaluate through inspection or other means, the quality, appropriateness, and timeliness of services performed under this Contract.

10.2 ACCESS TO AND RETENTION OF RECORDS

In addition to the requirements outlined below, the Contractor shall comply, and shall require compliance by its subcontractors with the security and confidentiality of records standards with respect to the Department's confidential records.

10.2.1 Access to Records

The Department, the Office of the Attorney General of the Commonwealth of Virginia (including the Medicaid Fraud Control Unit or MFCU), the Auditor of Public Accounts of the Commonwealth of Virginia, the Centers for Medicare and Medicaid Services (CMS), state and federal auditors, or any of their duly authorized representatives shall have access to and shall be allowed to inspect, copy, and audit any books, fee schedules, documents, papers, and records, including, medical and/or financial records, of the Contractor and any of its subcontractors.

10.2.2 Retention of Records

The Contractor shall retain all records and reports relating to this Contract for a period of ten (10) years after final payment is made under this Contract. When an audit, litigation, or other action involving records is initiated prior to the end of said period, however, records shall be maintained for a period of ten (10) years following resolution of such action or longer if such action is still ongoing. All records shall be electronically scanned and stored in searchable format with OCR (optical character recognition) capabilities. Copies on electronic media or other appropriate media of the documents contemplated herein may be substituted for the originals provided that the media or other duplicating procedures are reliable and are supported by an effective retrieval system which meets legal requirements to support litigation, and to be admissible into evidence in any court of law. The records, regardless of format, remain the property of DMAS.

10.3 CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION

The Contractor assures that information and data obtained as to personal facts and circumstances related to patients or clients will be collected and held confidential, during and following the term of this agreement, and unless disclosure is required pursuant to court order, subpoena or other regulatory authority, will not be divulged without the individual's and the agency's written consent and only in

accordance with federal law or the Code of Virginia. Contractors who utilize, access, or store personally identifiable information as part of the performance of a contract are required to safeguard this information and immediately notify the agency of any breach or suspected breach in the security of such information. Contractors shall allow the agency to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement.

10.4 AUDIT

The Contractor shall retain all books, records, and other documents relative to this contract for ten (10) years after final payment. The Department, its authorized agents and/or state auditors shall have full access to and the right to examine any of said materials during said period. All known audits and audit discrepancies must be settled before the records can be destroyed.

10.5 AWARD

Selection shall be made of *two or more* Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the Department shall select the Offeror which, in its opinion, has made the best proposal and provides the best value, and shall award the contract to that Offeror. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (*Code of Virginia, § 2.2-4359D*). Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document shall be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the Contractor's proposal as negotiated.

10.6 TERMINATION

This Contract may be terminated in whole or in part:

- a. By the Department, for convenience, with not less than ninety (90) days prior written notice, which notice shall specify the effective date of the termination,
- b. By the Department, in whole or in part, if funding from Federal, State, or other sources is withdrawn, reduced, or limited;
- c. By the Department if the Department determines that the instability of the Contractor's financial condition threatens delivery of services and continued performance of the Contractor's responsibilities; or
- d. By the Department if the Department determines that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities.

Each of these conditions for contract termination is described in the following paragraphs.

10.6.1 Termination for Convenience

- a. The Department may terminate this contract at any time without cause, in whole or in part, upon giving the Contractor notice of such termination. Upon such termination, the Contractor shall immediately cease work and remove from the project site all of its labor forces and such of its materials as DMAS elects not to purchase or to assume in the manner hereinafter provided. Upon such termination, the Contractor shall take such steps as owner may require to assign to the owner the Contractor's interest in all subcontracts and purchase orders designated by owner. After all such steps have been taken to DMAS' satisfaction; the Contractor shall receive as full compensation for termination and assignment the following:
 - (1) All amounts then otherwise due under the terms of this contract,
 - (2) Amounts due for work performed subsequent to the latest Request for Payment through the date of termination,
 - (3) Reasonable compensation for the actual cost of demobilization incurred by the Contractor as a direct result of such termination. The Contractor shall not be entitled to any compensation for lost profits or for any other type of contractual compensation or damage other than those provided by the preceding sentence. Upon payment of the forgoing, owner shall have no further obligations to the Contractor of any nature.
- b. In no event shall termination for the convenience of DMAS terminate the obligations of the Contractor's surety on its payment and performance bonds.

10.6.2 Termination for Unavailable Funds

The Contractor understands and agrees that the Department shall be bound only to the extent of the funds available or which may become available for the purpose of this resulting Contract. If the Department makes a determination that funds are not adequately appropriated or otherwise unavailable to support continuance of performance of this Contract, the Department shall, in whole or in part, cancel or terminate this Contract.

The Department's payment of funds for purposes of this Contract is subject to and conditioned upon the availability of funds for such purposes, whether federal and/or state funds. The Department may terminate this Contract at any time prior to the completion of this Contract, if, in the sole opinion of the Department, funding becomes unavailable for these services or such funds are restricted or reduced. In the event that funds are restricted or reduced, it is agreed by both parties that, at the sole discretion of the Department, this Contract may be amended. If the Contractor shall be unable or unwilling to provide covered services at reduced rates, the Contract shall be terminated.

No damages, losses, or expenses may be sought by the Contractor against the Department, if, in the sole determination of the Department, funds become unavailable before or after this Contract is

executed. A determination by the Department that funds are not appropriated or are otherwise inadequate or unavailable to support the continuance of this Contract shall be final and conclusive.

10.6.3 Termination Because of Financial Instability

If DMAS determines that there are verifiable indicators that the Contractor will become financially unstable to the point of threatening the ability of the Department to obtain the services provided for under the Contract, DMAS shall require verification of the Contractor's financial situation. If from the information DMAS determines the Contractor will inevitably become financially unstable, DMAS may terminate the contract before this occurs. If the Contractor ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, or suffers or permits the appointment of a receiver for its business or assets, DMAS may, at its option, immediately terminate this Contract effective at the close of business on a date specified by the Department. In the event the Department elects to terminate the Contract under this provision, the Contractor shall be notified in writing, by either certified or registered mail, specifying the date of termination. The Contractor shall submit a written waiver of the licensee's rights under the federal bankruptcy laws.

In the event of the filing of a petition in bankruptcy by a principal network provider or subcontractor, the Contractor shall immediately so advise the Department. The Contractor shall ensure that all tasks that have been delegated to its subcontractor(s) are performed in accordance with the terms of this Contract.

10.6.4 Termination for Default

The Department may terminate the Contract, in whole or in part, if the Department determines that the Contractor has failed to satisfactorily perform its duties and responsibilities under this Contract and is unable to cure such failure within a reasonable period of time as specified in writing by the Department, taking into consideration the gravity and nature of the default. Such termination shall be referred to herein as "Termination for Default."

Upon determination by the Department that the Contractor has failed to satisfactorily perform its duties and responsibilities under this Contract, the Contractor shall be notified in writing, by either certified or registered mail, of the failure and of the time period which has been established to cure such failure. If the Contractor is unable to cure the failure within the specified time period, the Department will notify the Contractor in writing within thirty (30) calendar days of the last day of the specified time period that the Contract, has been terminated in full or in part, for default. This written notice shall identify all of the Contractor's responsibilities in the case of the termination, including responsibilities related to member notification, network provider notification, refunds of advance payments, return or destruction of Department data and liability for medical claims.

In the event that DMAS determines that the Contractor's failure to perform its duties and responsibilities under this contract results in a substantial risk to the health and safety of Medicaid/FAMIS Plus or FAMIS individuals, DMAS may immediately terminate this contract prior to providing notice to the Contractor.

If, after notice of termination for default, it is determined by the Department or by a court of law that the Contractor was not in default or that the Contractor's failure to perform or make progress in performance was due to causes beyond the control of and without error or negligence on the part of the Contractor or any of its subcontractors, the notice of termination shall be deemed to have been issued as a termination for the convenience of the Department, and the rights and obligations of the parties shall be governed accordingly.

In the event of termination for default, in full or in part, as provided for under this clause, the Department may procure or contract from other sources, upon such terms and in such manner as is deemed appropriate by the Department, supplies or services similar to those terminated, and the Contractor shall be liable for any costs for such similar supplies and services and all other damages allowed by law. In addition, the Contractor shall be liable to the Department for administrative costs incurred to procure such similar supplies or services as are needed to continue operations. In the event of a termination for default prior to the start of operations, any claim the Contractor may assert shall be governed by the procedures defined by the Department for handling contract termination. Nothing herein shall be construed as limiting any other remedies that may be available to the Department.

In the event of a termination for default during ongoing operations, the Contractor shall be paid for any outstanding payments due less any assessed damages.

10.7 REMEDIES FOR VIOLATION, BREACH, OR NON-PERFORMANCE OF CONTRACT

Upon receipt by the Department of evidence of substantial non-compliance by the Contractor with any of the provisions of this Contract or with state or federal laws or regulations the following remedies may be imposed.

10.7.1 Procedure for Contractor Noncompliance Notification

In the event that the Department identifies or learns of noncompliance with the terms of this contract, the Department shall notify the Contractor in writing of the nature of the noncompliance. The Contractor shall remedy the noncompliance within a time period established by the Department and the Department shall designate a period of time, not less than ten (10) calendar days, in which the Contractor shall provide a written response to the notification. The Department may develop or may require the Contractor to develop procedures with which the Contractor shall comply to eliminate or prevent the imposition of specific remedies.

10.7.2 Remedies Available To the Department

The Department reserves the right to employ, at the Department's sole discretion, any and all remedies available at law or in equity, including but not limited to, payment withholds and/or termination of the contract.

10.8 PAYMENT

The Contractor shall be prepared to provide the full range of services requested under this RFP and resultant contract, on site and be operationally ready to begin work by the implementation date established by DMAS. Upon approval of the Contractor's operational readiness and a determined start date, DMAS shall make payments as described in this RFP.

Each invoice submitted by the Contractor shall be subject to DMAS' approval based on satisfactory performance of contracted services and compliance with all contract terms. The invoice shall contain the Federal tax identification number, the contract number and any other information subsequently required by DMAS

10.9 IDENTIFICATION OF PROPOSAL ENVELOPE

If a special envelope is not furnished, or if return in the special envelope is not possible, the signed proposal should be returned in a separate envelope or package, sealed and identified as follows:

From: _____	_____
Name of Offeror	Due Date /Time
_____	_____
Street or Box Number	City, State, Zip Code

RFP Number	

Name of Contract/Purchase Officer:

The envelope should be addressed as directed on Page 1 of the solicitation.

If a proposal not contained in the special envelope is mailed, the Offeror assumes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised, which may cause the proposal to be disqualified. Proposals may be hand delivered to the designated location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

10.10 INDEMNIFICATION

Contractor agrees to indemnify the Commonwealth of Virginia, its officers, agents, and employees for any loss, liability, cost, or reasonable settlement cost incurred as a result of any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the contractor/any services of any kind or nature furnished by the contractor, provided that such liability is not attributable to the sole negligence of the using agency or to failure of the using agency to use the materials, goods, or equipment in the manner already and permanently described by the contractor on the materials, goods or equipment delivered.

10.11 SUBMISSION OF A SMALL BUSINESSES SUBCONTRACTING PLAN, EVIDENCE OF COMPLIANCE WITH SMALL BUSINESS SUBCONTRACTING PLAN, AND SUBCONTRACTOR REPORTING

A. Submission of Small Business Subcontracting Plan: It is the goal of the Commonwealth that 42% of its purchases be made from small businesses. This includes discretionary spending in prime contracts and subcontracts. All bidders/offerors are required to submit a Small Business Subcontracting Plan. The contractor is encouraged to offer such subcontracting opportunities to DSBSD-certified small businesses. This shall include DSBSD-certified women-owned and minority-owned businesses when they have received DSBSD small business certification. Where it is not practicable for any portion of the goods/services to be subcontracted to other suppliers, the bidder/offeror shall note such on the Small Business Subcontracting Plan. No bidder/offeror or subcontractor shall be considered a small business unless certified as such by the Department of Small Business and Supplier Diversity (DSBSD) by the due date for receipt of bids or proposals.

B. Evidence of Compliance with Small Business Subcontracting Plan: Each prime contractor who wins an award in which provision of a small business subcontracting plan is a condition of the award, shall deliver to the contracting agency or institution timely reports substantiating compliance in accordance with the small business subcontracting plan. If a variance exists, the contractor shall provide a written explanation. A subcontractor shall be considered a Small Business for purposes of a contract if and only if the subcontractor holds a certification as such by the DSBSD. Payment(s) may be withheld until the purchasing agency confirms that the contractor has certified compliance with the contractor's submitted Small Business Subcontracting Plan or is in receipt of a written explanation of the variance. The agency or institution reserves the right to pursue other appropriate remedies for non-compliance to include, but not be limited to, termination for default.

C. Prime Contractor Subcontractor Reporting:

1. Each prime contractor who wins an award greater than \$100,000, shall deliver to the contracting agency or institution on a quarterly basis, information on use of subcontractors that are DSBSD-certified businesses or ESOs. The contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, category type (Businesses that are DSBSD-certified small, women-owned, minority-owned, Service Disabled Veteran, or Employment Services Organization) and type of product/service provided, at the frequency required.
2. In addition, each prime contractor who wins an award greater than \$200,000 shall deliver to the contracting agency or institution on a quarterly basis, information on use of subcontractors that are not DSBSD-certified businesses. The contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted and type of product/service provided, at the frequency required.

Note: The winning Offeror will be required to report small business expenditures quarterly on both the administrative component and provider network utilization to meet the requirements of this Section.

10.12 RENEWAL OF CONTRACT

This contract may be renewed by the Department for three successive one year periods under the terms and conditions of the original contract except as stated in 1. and 2. below. Price increases may be negotiated only at the time of renewal. Written notice of the Commonwealth's intention to renew shall be given approximately 90 days prior to the expiration date of each contract period.

1. If the Department elects to exercise the option to renew the contract for an additional one-year period, the contract price(s) for the additional one year shall not exceed the contract price(s) of the original contract, in addition to any modifications, increased/decreased by more than the percentage increase/decrease of the Services category under the Commodity and Services Group of the CPI-U section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.
2. If during any subsequent renewal periods, the Department elects to exercise the option to renew the contract, the contract price(s) for the subsequent renewal period shall not exceed the contract price(s) of the previous renewal period increased/decreased by more than the percentage increase/decrease of the Services category under the Commodity and Services Group of the CPI-U section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

10.13 CONFIDENTIALITY OF INFORMATION

By submitting a proposal, the Contractor agrees that information or data obtained by the Contractor from DMAS during the course of determining and/or preparing a response to this RFP may not be used for any other purpose than determining and/or preparing the Contractor's response. Such information or data may not be disseminated or discussed for any reasons not directly related to the determination or preparation of the Contractor's response to this RFP. This paragraph does not apply to public records that would be required to be disclosed in response to a request pursuant to the Virginia Freedom of Information Act.

10.14 BUSINESS ASSOCIATE AGREEMENT (BAA)

The Contractor shall be required to enter into a DMAS-supplied Business Associate Agreement (BAA) with DMAS to comply with regulations concerning the safeguarding of protected health information (PHI) and electronic protected health information (ePHI). The Contractor shall comply, and shall ensure that any and all subcontractors comply, with all State and Federal laws and regulations with regards to handling, processing, or using the Department's PHI and ePHI. This includes but is not limited to 45 CFR Parts 160 and 164 Modification to the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules Under the Health Information Technology for Economic and Clinical Health Act and the Genetic Information Nondiscrimination Act; Other Modifications to the HIPAA Rules; Final Rule, January 25, 2013 and related regulations as they pertain to this agreement.

The Contractor shall keep abreast of any future changes to the regulations. The Contractor shall comply with all current and future HIPAA regulations at no additional cost to DMAS, and agrees to comply with all terms set out in the DMAS BAA, including any future changes to the DMAS BAA. The current DMAS BAA template is available on the DMAS website at http://www.dmas.virginia.gov/Content_pgs/rfp.aspx.

10.15 OBLIGATION OF CONTRACTOR

By submitting a proposal, the Contractor covenants and agrees that it has satisfied itself of the conditions to be met, and fully understands its obligations, and that it will have no right to cancel its proposal or to relief of any other nature because of its misunderstanding or lack of information.

10.16 INDEPENDENT CONTRACTOR

Any Contractor awarded a contract under this RFP will be considered an independent contractor, and neither the Contractor, nor personnel employed by the Contractor, is to be considered an employee or agent of DMAS.

10.17 OWNERSHIP OF INTELLECTUAL PROPERTY

All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance specific to this contract shall become the sole property of the Commonwealth. DMAS shall have open access to the above. On request, the Contractor shall promptly provide an acknowledgement or assignment in a tangible form satisfactory to the Commonwealth to evidence the Commonwealth's sole ownership of specifically identified intellectual property created or developed in the performance of the contract.

10.18 BUSINESS TRANSACTIONS REPORTING

The Contractor shall also notify the Department within ten (10) calendar days after any publicly announced acquisition agreement, pre-merger agreement, or pre-sale agreement impacting the Contractor's ownership. Business transactions to be disclosed include, but are not limited to:

- a. Any sale, exchange, or lease of any property between the Contractor and a Party in Interest;
- b. Any lending of money or other extension of credit between the Contractor and a Party in Interest; and
- c. Any furnishing for consideration of goods, services (including management services) or facilities between the Contractor and a Party in Interest. Business transactions for purposes of this section do not include salaries paid to employees for services provided in the normal course of employment by the Contractor

The Contractor shall advise the Department, in writing, within five (5) Business Days of any organizational change or major decision affecting its Medicaid business in Virginia or other states. This includes, but is not limited to, sale of existing business to other entities or a complete exit from the Medicaid market in another state or jurisdiction.

10.19 EVA ORDERS AND CONTRACTS

The solicitation/contract will result in one (1) purchase order(s) with the applicable eVA transaction fee assessed for each order.

Vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution and agree to comply with the following: If this solicitation is for a term contract, failure to provide an electronic catalog (price list) or index page catalog for items awarded will be just cause for the Commonwealth to reject your bid/offer or terminate this contract for default. The format of this electronic catalog shall conform to the eVA Catalog Interchange Format (CIF) Specification that can be accessed and downloaded from www.eVA.virginia.gov. Contractors should email Catalog or Index Page information to eVA-catalog-manager@dgs.virginia.gov.

10.20 COMPLIANCE WITH VITA STANDARD

The Contractor shall comply with all state laws and regulations with regards to accessibility to information technology equipment, software, networks, and web sites used by blind and visually impaired individuals. These accessibility standards are state law (*see* § 2.2-3502 and § 2.2-3503 of the *Code of Virginia*). The Contractor shall comply with the Accessibility Standards at no additional cost to the Department. The Contractor must also keep abreast of any future changes to the Virginia Code as well as any subsequent revisions to the Virginia Information Technologies Standards. The current Virginia Information Technology Accessibility Standards are published on the Internet at

<http://www.vita.virginia.gov/library/default.aspx?id=663>.

10.21 CONTINUITY OF SERVICES

- a) The Contractor recognizes that the services under this contract are vital to the Agency and must be continued without interruption and that, upon contract expiration, a successor, either the Agency or another Contractor, may continue them. The Contractor agrees:
 - (i.) To exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor;
 - (ii.) To make all Agency owned facilities, equipment, and data available to any successor at an appropriate time prior to the expiration of the contract to facilitate transition to successor; and
 - (iii.) That the Agency Contracting Officer shall have final authority to resolve disputes related to the transition of the contract from the Contractor to its successor.
- b) The Contractor shall, upon written notice from the Contract Officer, furnish phase-in/phase-out services for up to ninety (90) days after this contract expires and shall negotiate in good faith a plan with the successor to execute the phase-in/phase-out services. This plan shall be subject to the Contract Officer's approval.
- c) The Contractor shall be reimbursed for all reasonable, pre-approved phase-in/phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this contract. All phase-in/phase-out work fees must be approved by the Contract Officer in writing prior to commencement of said work.

10.22 STATE CORPORATION COMMISSION IDENTIFICATION NUMBER

Pursuant to *Code of Virginia*, § 2.2-4311.2 subsection B, an Offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its proposal the identification number issued to it by the State Corporation Commission (SCC). Any Offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its proposal a statement describing why the Offeror is not required to be so authorized. Indicate the above information on the SCC Form provided (Attachment X- State Corporation Commission Form). Contractor agrees that the process by which compliance with Titles 13.1 and 50 is checked during the solicitation stage (including without limitation the SCC Form provided) is streamlined and not definitive, and the Commonwealth's use and acceptance of such form, or its acceptance of Contractor's statement describing why the Offeror was not legally required to be authorized to transact business in the Commonwealth, Shall not be conclusive of the issue and Shall not be relied upon by the Contractor as demonstrating compliance.

10.23 SUBCONTRACTS

No portion of the work shall be subcontracted without prior written consent of the Department. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the Department with the names, qualifications and experience of their proposed

subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract.

10.24 SEVERABILITY

Invalidity of any term of this Contract, in whole or in part, shall not affect the validity of any other term. DMAS and Contractor further agree that in the event any provision is deemed an invalid part of this Contract, they shall immediately begin negotiations for a suitable replacement provision to this RFP.

10.25 E-VERIFY PROGRAM

Pursuant to *Code of Virginia*, § 2.2-4308.2, any employer with more than an average of 50 employees for the previous 12 months entering into a contract in excess of \$50,000 with any agency of the Commonwealth to perform work or provide services pursuant to such contract shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to such public contract. Any such employer who fails to comply with these provisions shall be debarred from contracting with any agency of the Commonwealth for a period up to one year. Such debarment shall cease upon the employer's registration and participation in the E-Verify program. If requested, the Contractor shall present a copy of their Maintain Company page from E-Verify to prove that they are enrolled in E-Verify.

10.26 CONTRACTOR INTERNAL CONTROLS REPORT

The Contractor shall provide the Department, at a minimum, a report from its external auditor on the effectiveness of its internal controls. If the report discloses deficiencies in internal controls, the Contractor shall include management's correction action plans to remediate the deficiency. If available, report shall be compliant with the AICPA Statement on Standards for Attestation Engagements (SSAE) No 16, Reporting on Controls at a Service Organization, Service Organizations Controls (SOC) 2, Type 2 Report, and include the Contractor and its third-party service providers. The internal control reports shall be provided annually each June 1st for the preceding calendar year.

10.27 EMERGENCY PREPAREDNESS PLAN

The Contractor shall have an Emergency Preparedness Plan in place for its overall operations including, but not limited to, the Call Center, web based operations, and information systems. The plan must be based on and include a documented, facility-based and community-based risk assessment, using an all-hazards approach. The plan must be tested before the effective date of the contract and must meet the requirements of the Department and of any applicable state and federal regulations.

At a minimum, the following specific measures shall be included in the Emergency Preparedness Plan:

- Documentation of emergency procedures that include the steps to take in the event of a natural, human-caused or technological disaster.

- Employees at the site must be familiar with the emergency procedures;
- Smoking must be prohibited at the site;
- Heat and smoke detectors must be installed at the site both in the ceiling and under raised floors (if applicable). These devices must alert the local fire department as well as internal personnel;
- Portable fire extinguishers must be located in strategic and accessible areas of the site. They must be vividly marked and periodically tested;
- The site must be protected by an automatic fire suppression system;
- The site must be backed up by an uninterruptible power source system; and
- The system at the disaster recovery site must be tested and verified in accordance with VITA standards.

The following resources provide information on completing a risk based emergency plan:

- FEMA – CPG 101, Developing and Maintaining Emergency Operations Plans, Version 2
<https://www.fema.gov/media-library/assets/documents/25975>.
- FEMA – CPG 201: Threat and Hazard Identification and Risk Assessment Guide
<https://www.fema.gov/media-library/assets/documents/26335>.

The Emergency Preparedness Plan document shall be available to the Department, upon request, during implementation and at least 30 days prior to beginning operations. If any changes occur during the contract period, the Contractor shall notify the Department's Contract Administrator within 30 days prior to the change occurring.

10.28 CONTINUITY OF OPERATIONS (COOP) AND DISASTER RECOVERY PLAN

The Contractor shall be required to provide written assurances that they have a Continuity of Operations (COOP) and Disaster Recovery Plan that relates to the services or functions provided by them under this contract. This documentation will include the capability to continue receiving calls, and other functions required in this RFP in the event that the central site is rendered inoperable. Additionally, the Contractor's business continuity/disaster recovery plan must include provisions in relation to the processing center telephone number(s).

The following resources provide key information to be included in the Contractor's COOP:

- VITA - ITRM Policies, Standards and Guidelines
<http://www.vita.virginia.gov/library/default.aspx?id=537>
- Virginia Department of Emergency Management (VDEM) templates
[VDEM Continuity Plan Template](#)
[VDEM Guide to Identifying Mission Essential Functions](#)

[Mission Essential Function Identification Worksheets](#)

In addition, the Contractor's COOP/Disaster Recovery Plan must include sufficient information to show that it meets the following guidelines and standards:

NIST Special Publication 800-34 Rev. 1 - Contingency Planning Guide for Federal Information Systems
<http://nvlpubs.nist.gov/nistpubs/Legacy/SP/nistspecialpublication800-34r1.pdf>

NIST SP 800-66 R1, October 2008 - An Introductory Resource Guide for Implementing the Health Insurance Portability and Accountability Act (HIPAA) Security Rule at
<http://csrc.nist.gov/publications/nistpubs/800-66-Rev1/SP-800-66-Revision1.pdf> and the following requirements of the HIPAA Security Rule Standards and Implementation specifications:

- a. Contingency Plan 45 CFR § 164.308(a)(7)(i)
- b. Data Backup Plan 45 CFR § 164.308(a)(7)(ii)(A)
- c. Disaster Recovery Plan 45 CFR § 164.308(a)(7)(ii)(B)
- d. Emergency Mode Operation Plan 45 CFR § 164.308(a)(7)(ii)(C)
- e. Testing and Revision Procedures 45 CFR § 164.308(a)(7)(ii)(D)
- f. Applications and Data Criticality Analysis § 164.308(a)(7)(ii)(E)
- g. Facility Access Controls 45 CFR § 164.310(a)(1)
- h. Contingency Operations 45 CFR § 164.310(a)(2)(i)
- i. Device and Media Controls 45 CFR § 164.310(d)(1)
- j. Data Backup and Storage 45 CFR § 164.310(d)(2)(iv)
- k. Access Control 45 CFR § 164.312(a)(1)
- l. Emergency Access Procedure 45 CFR § 164.312(a)(2)(ii)

If requested, the COOP/Disaster Recovery Plan shall be available to the Department during implementation and at least 30 days prior to beginning operations. If any changes occur during the contract period, the Contractor shall notify the Contract Administrator at the Department within thirty (30) days after the change occurred.

10.29 PERFORMANCE AND PAYMENT BONDS

The Contractor shall deliver to the Department purchasing office an executed performance bond, in a form acceptable to the Department, in the amount of one (1) month of the estimated annual administrative (PMPM) contract amount, as determined by the Department, with the Department as obligee. In addition, the Contractor shall deliver to the Department purchasing office an executed payment bond, in a form acceptable to the Department, in the amount of two (2) months of the estimated annual transportation services payments amount, as determined by the Department, with the Department as obligee. The surety shall be a surety company or companies approved by the State Corporation Commission to transact business in the Commonwealth of Virginia. No payment shall be due and payable to the Contractor, even if the contract has been performed in whole or in part, until the bonds have been delivered to and approved by the Department.

10.30 CONTRACTOR CERTIFICATION

The Contractor understands that all procurement procedures are to be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety. Va. Code § 2.2-4300.

By submitting this proposal and executing any resulting Contract, the Contractor makes the following certifications:

The Contractor did not solicit or receive, whether intentionally or unintentionally, any non-public information concerning this RFP from a DMAS employee, subcontractor, or any other source at any time prior to submittal of this proposal or the execution of any resulting Contract.

The Contractor understands that this is an ongoing certification, and if at any time the Contractor becomes aware that non-public information about the procurement was solicited or received from a DMAS employee, subcontractor, or any other source, the Contractor has a duty to inform DMAS in writing immediately.

Attachment I:
PAYROLL SCHEDULE-A



PAYROLL SCHEDULE - A



VA DMAS, CCC and CCC PLUS Consumer-Directed Services Programs

Pay Period START DATE	Pay Period END DATE	Timesheet Received By 5:00 PM	Check or Direct Deposit Issued
THURSDAY	WEDNESDAY	FRIDAY	FRIDAY
12/14/2017	12/27/2017	12/29/2017	1/5/2018
12/28/2017	1/10/2018	1/12/2018	1/19/2018
1/11/2018	1/24/2018	1/26/2018	2/2/2018
1/25/2018	2/7/2018	2/9/2018	2/16/2018
2/8/2018	2/21/2018	2/23/2018	3/2/2018
2/22/2018	3/7/2018	3/9/2018	3/16/2018
3/8/2018	3/21/2018	3/23/2018	3/30/2018
3/22/2018	4/4/2018	4/6/2018	4/13/2018
4/5/2018	4/18/2018	4/20/2018	4/27/2018
4/19/2018	5/2/2018	5/4/2018	5/11/2018
5/3/2018	5/16/2018	5/18/2018	5/25/2018
5/17/2018	5/30/2018	6/1/2018	6/8/2018
5/31/2018	6/13/2018	6/15/2018	6/22/2018
6/14/2018	6/27/2018	6/29/2018	7/6/2018
6/28/2018	7/11/2018	7/13/2018	7/20/2018
7/12/2018	7/25/2018	7/27/2018	8/3/2018
7/26/2018	8/8/2018	8/10/2018	8/17/2018
8/9/2018	8/22/2018	8/24/2018	8/31/2018
8/23/2018	9/5/2018	9/7/2018	9/14/2018
9/6/2018	9/19/2018	9/21/2018	9/28/2018
9/20/2018	10/3/2018	10/5/2018	10/12/2018
10/4/2018	10/17/2018	10/19/2018	10/26/2018
10/18/2018	10/31/2018	11/2/2018	11/9/2018
11/1/2018	11/14/2018	11/16/2018	11/23/2018
11/15/2018	11/28/2018	11/30/2018	12/7/2018
11/29/2018	12/12/2018	12/14/2018	12/21/2018
12/13/2018	12/26/2018	12/28/2018	1/4/2019
12/27/2018	1/9/2019	1/11/2019	1/18/2019
1/10/2019	1/23/2019	1/25/2019	2/1/2019
1/24/2019	2/6/2019	2/8/2019	2/15/2019
2/7/2019	2/20/2019	2/22/2019	3/1/2019

Circled Dates indicate payroll periods that include the 1st day of each month. If you are responsible for reimbursing the Attendant for **PATIENT PAY**, please note it is **DUE** when the Attendant is paid on the dates circled.

Attachment II:
PAYROLL SCHEDULE- B



PAYROLL SCHEDULE - B



VA DMAS, CCC and CCC PLUS Consumer-Directed Services Programs

Pay Period START DATE	Pay Period END DATE	Timesheet Received By 5:00 PM	Check or Direct Deposit Issued
THURSDAY	WEDNESDAY	FRIDAY	FRIDAY
12/21/2017	1/3/2018	1/5/2018	1/12/2018
1/4/2018	1/17/2018	1/19/2018	1/26/2018
1/18/2018	1/31/2018	2/2/2018	2/9/2018
2/1/2018	2/14/2018	2/16/2018	2/23/2018
2/15/2018	2/28/2018	3/2/2018	3/9/2018
3/1/2018	3/14/2018	3/16/2018	3/23/2018
3/15/2018	3/28/2018	3/30/2018	4/6/2018
3/29/2018	4/11/2018	4/13/2018	4/20/2018
4/12/2018	4/25/2018	4/27/2018	5/4/2018
4/26/2018	5/9/2018	5/11/2018	5/18/2018
5/10/2018	5/23/2018	5/25/2018	6/1/2018
5/24/2018	6/6/2018	6/8/2018	6/15/2018
6/7/2018	6/20/2018	6/22/2018	6/29/2018
6/21/2018	7/4/2018	7/6/2018	7/13/2018
7/5/2018	7/18/2018	7/20/2018	7/27/2018
7/19/2018	8/1/2018	8/3/2018	8/10/2018
8/2/2018	8/15/2018	8/17/2018	8/24/2018
8/16/2018	8/29/2018	8/31/2018	9/7/2018
8/30/2018	9/12/2018	9/14/2018	9/21/2018
9/13/2018	9/26/2018	9/28/2018	10/5/2018
9/27/2018	10/10/2018	10/12/2018	10/19/2018
10/11/2018	10/24/2018	10/26/2018	11/2/2018
10/25/2018	11/7/2018	11/9/2018	11/16/2018
11/8/2018	11/21/2018	11/23/2018	11/30/2018
11/22/2018	12/5/2018	12/7/2018	12/14/2018
12/6/2018	12/19/2018	12/21/2018	12/28/2018
12/20/2018	1/2/2019	1/4/2019	1/11/2019
1/3/2019	1/16/2019	1/18/2019	1/25/2019
1/17/2019	1/30/2019	2/1/2019	2/8/2019
1/31/2019	2/13/2019	2/15/2019	2/22/2019
2/14/2019	2/27/2019	3/1/2019	3/8/2019

Circled Dates indicate payroll periods that include the 1st day of each month. If you are responsible for reimbursing the Attendant for **PATIENT PAY**, please note it is **DUE** when the Attendant is paid on the dates circled.

ATTACHMENT III:
FIPS CODES

TIDEWATER		CENTRAL		CENTRAL		NORTHERN VA		SOUTHWEST		PIEDMONT	
FIPS	LOCATION	FIPS	LOCATION	FIPS	LOCATION	FIPS	LOCATION	FIPS	LOCATION	FIPS	LOCATION
001	ACCOMACK	003	ALBEMARLE	103	LANCASTER	510	ALEXANDRIA CITY *	021	BLAND	005	ALLEGHANY
025	BRUNSWICK	007	AMELIA	109	LOUISA	013	ARLINGTON *	520	BRISTOL CITY	009	AMHERST
550	CHESAPEAKE CITY	033	CAROLINE	111	LUNENBURG	015	AUGUSTA	027	BUCHANAN	011	APPOMATTOX
053	DINWIDDIE	036	CHARLES CITY (COUNTY)	115	MATHEWS	043	CLARKE *	035	CARROLL	017	BATH
595	EMPORIA CITY	037	CHARLOTTE	117	MECKLENBURG	047	CULPEPER	051	DICKENSON	515	BEDFORD CITY
620	FRANKLIN CITY	540	CHARLOTTESVILLE CITY	119	MIDDLESEX	600	FAIRFAX CITY *	063	FLOYD	019	BEDFORD COUNTY
081	GREENSVILLE	041	CHESTERFIELD	125	NELSON	059	FAIRFAX COUNTY *	640	GALAX CITY	023	BOTETOURT
650	HAMPTON CITY	570	COLONIAL HEIGHTS	127	NEW KENT	610	FALLS CHURCH CITY *	071	GILES	029	BUCKINGHAM
093	ISLE OF WRIGHT	049	CUMBERLAND	133	NORTHUMBERLAND	061	FAUQUIER *	077	GRAYSON	530	BUENA VISTA CITY
095	JAMES CITY	057	ESSEX	135	NOTTOWAY	069	FREDERICK	105	LEE	031	CAMPBELL
700	NEWPORT NEWS CITY	065	FLUVANNA	137	ORANGE	660	HARRISONBURG CITY	121	MONTGOMERY	580	COVINGTON CITY
710	NORFOLK CITY	630	FREDERICKSBURG CITY *	730	PETERSBURG CITY	091	HIGHLAND	720	NORTON CITY	045	CRAIG
131	NORTHAMPTON	073	GLOUCESTER	145	POWHATAN	107	LOUDOUN *	155	PULASKI	590	DANVILLE CITY
735	POQUOSON CITY	075	GOOCHLAND	147	PRINCE EDWARD	113	MADISON	750	RADFORD CITY	067	FRANKLIN
740	PORTSMOUTH CITY	079	GREENE	149	PRINCE GEORGE	683	MANASSAS CITY *	167	RUSSELL	083	HALIFAX
175	SOUTHAMPTON	085	HANOVER	760	RICHMOND CITY	685	MANASSAS PARK CITY *	169	SCOTT	089	HENRY
800	SUFFOLK CITY	087	HENRICO	159	RICHMOND COUNTY	139	PAGE	173	SMYTH	678	LEXINGTON CTIY
181	SURRY	670	HOPEWELL CITY	177	SPOTSYLVANIA *	153	PRINCE WILLIAM *	185	TAZEWELL	680	LYNCHBURG CITY
183	SUSSEX	097	KING AND QUEEN	179	STAFFORD *	157	RAPPAHANNOCK	191	WASHINGTON	690	MARTINSVILLE CITY
810	VIRGINIA BEACH CITY	099	KING GEORGE	193	WESTMORELAND	165	ROCKINGHAM	195	WISE	141	PATRICK
830	WILLIAMSBURG CITY	101	KING WILLIAM			171	SHENANDOAH	197	WYTHE	143	PITTSYLVANIA
199	YORK					790	STAUNTON CITY			770	ROANOKE CITY
						187	WARREN *			161	ROANOKE COUNTY
						820	WAYNESBORO CITY			163	ROCKBRIDGE
						840	WINCHESTER CITY			775	SALEM CITY
										780	SOUTH BOSTON CITY

*NORTHERN VA PAY RATE

Attachment IV:
REQUIRED REPORTS

Report	Section	Report Frequency	Due
A. OPERATIONS & PERFORMANCE REPORTS	§4.17.6 a		
1. Call Center Activity Reports	§4.17.6 a & §4.12.24	As determined by the Department	As determined by the Department
<ul style="list-style-type: none"> Weekly, and Monthly, and Y-T-D summary data Call Center Performance Standards measurement 			
2. CD Financial Operations Reports	§4.17.6 c & §4.17.6 d	As determined by the Department	As determined by the Department
<ul style="list-style-type: none"> Payroll cycle, Monthly, and Y-T-D Timesheet and payroll processing data Payroll exceptions report for off cycle paychecks Verifications of Employment Performance Standards measurement 			“ ”
3. CD Employer and Employee Enrollment Reports	§4.17.6 b-	As determined by the Department	As determined by the Department
<ul style="list-style-type: none"> Weekly, Monthly, and Y-T-D summary data Performance Standards measurement 			
<ul style="list-style-type: none"> Weekly, Monthly, and Y-T-D summary data Performance Standards measurement 			
4. Complaint and Grievance Report	§4.17.6 e	Monthly	End of month
5. Medicaid Individual Service Utilization Report	§4.17.17	Quarterly	1/20, 4/20, 7/20, 10/20
6. Quality Assurance Report	§4.17.6 f	Quarterly	1/20, 4/20, 7/20, 10/20

Report	Section	Report Frequency	Due
7. Annual Reports for CD Services	§4.17.10	Annually	7/31
8. Medicaid Individual Satisfaction Survey	§4.18	Annually	12/31
9. Payroll, Tax, and Withholdings Reconciliation Reports	§4.10	Quarterly	2/20, 5/20, 8/20, 11/20
B. DEPARTMENT AND FEDERAL PROGRAM REPORTS			
10. VA. Long Term Care Report	§4.17.11	Monthly	20 th calendar day after the end of the month
11. 372 Report of Unduplicated Medicaid Individuals by Waiver and Service Types including Transition Services	§4.17.11	Monthly & Annually	20th calendar day after the end of the month & 7/31 (Annual)
12. CD Background Check Reports	§4.17.6 b & §4.7	As below	As below
<ul style="list-style-type: none"> Criminal & Child Abuse Background Check Results List of Excluded Individuals/Entities 		Quarterly & Annually Matches reported upon discovery	Annual 7/31 & Quarterly 1/20, 4/20, 7/20, 10/20;
13. Annual Report of Internal Controls	§6.1	Annually	6/1
14. Audited Financial & Income Statements	§4.17.14	Annually	3/30
15. a. Fraud and Abuse Summary Report	§4.17.9	Monthly	20th Calendar day after the end of the month (Summary Report)
b. Individual suspected case reports		Bi-weekly	As determined by the Department
16. CD High Earners Report	§4.17.10	Quarterly/Cumulative	1/20, 4/20, 7/20, 10/20

Attachment V:
COST PROPOSAL

CD Services
RFP 2018-07
Schedule A-1: Total Price

Item	Subtotal	Price
Start-up/Implementation cost: For period between date of contract execution and date of start of operations. (Schedule B-2)		\$
Annual Cost (Average Annual Cost from Schedule B-1)	\$	
Total Cost Proposal (Start-up/Implementation plus 3 year operations cost)		\$
<i>Note: The Total Cost Proposal dollar amount will also be used for RFP 2018-07 Small Business Subcontracting Plan Scoring purposes.</i>		

Schedule B-1: CD Services PMPM Calculation Chart

<u>PMPM Category</u>	<u>Average Monthly Enrollment Volumes¹</u>	<u>Per Member Per Month (PMPM) Direct Cost</u> Schedule B-3	<u>Per Member Per Month (PMPM) Indirect Cost</u> Schedule B-4	<u>Average Monthly Category Cost (Combined PMPM Costs x Avg. Monthly Enrollment)</u>	<u>Average Annual Category Cost² (Average Monthly Cost x 12 months)</u>
Active Medicaid Individual ³	# 4,539	\$	\$	\$	\$

Note 1: Average Monthly Medicaid Individual Enrollment Volumes for SFY 2017 and divided by 12 months. This number represents SFY 2017 average Monthly enrollment and will be used for RFP Cost Proposal evaluation purposes only. It will not be used to determine actual PMPM payments to the Contractor.

Note 2: Average annual cost calculated by the Offeror in this table does not represent the actual amounts to be paid in the performance of the contract. The amount paid to the winning Offeror in the performance of the contract will be based on the proposed PMPM and the actual Monthly enrollments for each category. The average annual cost dollar amount will also be used for RFP 2018-07 Small Business Subcontracting Plan Scoring purposes.

Note 3: An active Medicaid Individual is an Enrolled, unduplicated individual who had a paycheck issued to his/her Personal Care Assistant (Employee) during the PMPM invoiced month.

Attachment V:
COST PROPOSAL – SCHEDULE B-2

CD Services
RFP 2018-07
Schedule B-2: Budget
Start up and Implementation

Item	Price
A. Staffing	\$
B. Facilities	\$
C. Hardware (non-web portal)	\$
D. Non-web Portal Software	\$
E. Web Portal Development/Implementation	\$
F. Telecommunications	\$
G. Consulting Services	\$
H. Office supplies	\$
I. Training/orientation/outreach	\$
Other Costs (itemize: add more rows as necessary)	
A.	\$
B.	\$
Total Startup/Implementation Costs¹ (Add totals in far right column)	\$
Note 1: This amount shall be transferred to Schedule A-1 in the row labeled "Start-up/Implementation Cost."	

Start up/implementation costs will be reimbursed 30 days after successful implementation.

ATTACHMENT V:
COST PROPOSAL – SCHEDULE B-3

Schedule B-3:
CD Services Per Member Per Month
(PMPM) Direct Cost Allocation

PMPM DIRECT COSTS ¹	
Item	Price
A. Staffing (salary & benefits)	\$
B. Project Supplies and Materials	\$
C. Facilities (pro-rated share of rent, utilities, building services)	
D. Hardware	\$
E. Software (including maintenance)	\$
F. Equipment	\$
G. Telecommunications	\$
H. Postage	\$
I. Printing	\$
J. Subcontracts (itemize)	
Other Direct Costs (itemize: add more rows as necessary)	
A.	\$
B.	\$
Total Direct Costs²	
(Add totals in far right column)	\$
<p>Note 1: Direct costs are costs that can be directly associated with the contract, relatively easily, with a high degree of accuracy. Travel, meals, and lodging are unallowable costs. (Reference Section 6.3). Costs should not be allocated as direct if any other cost incurred for the same purpose has been listed as an indirect cost.</p> <p>Note 2: This amount shall be transferred to Schedule B-1 in the row labeled "Per Member Per Month (PMPM) Direct Cost."</p>	

Attachment V:
COST PROPOSAL- SCHEDULE B-4

**CD Services Per Member Per Month
(PMPM) Indirect Cost Allocation**

PMPM INDIRECT COSTS¹	
Item	Price
A. Administrative Staffing and Services	\$
B. Facilities (pro-rated rent, utilities, building services)	\$
C. General Purpose Equipment	\$
D. Telecommunications	\$
E. General Use Office Supplies and Materials	\$
Other Indirect Costs (itemize: add more rows as necessary)	
A.	\$
B.	\$
C.	\$
Total Indirect Costs² (Add totals in far right column)	
\$	
<p>Note 1: Indirect costs are costs incurred for common or joint purposes and cannot be readily broken down and directly charged to the contract. Indirect costs typically include Facilities and general administration. Indirect costs shall be limited to the portion of services applicable to the contract. Reference Sections 6.2.28 and 6.3 for disallowable indirect costs.</p> <p>Note 2: This amount shall be transferred to Schedule B-1 in the row labeled "Per Member Per Month (PMPM) Indirect Cost."</p>	

Attachment V:
COST PROPOSAL- SERVICES FACILITATOR CERTIFICATION

Schedule B-5
Annual Budget
Services Facilitator Certification

Item (add more rows as necessary)	Price Year 1	Price Year 2	Price Year 3
A.	\$	\$	\$
B.	\$	\$	\$
C.	\$	\$	\$
D.	\$	\$	\$
E.	\$	\$	\$
F.	\$	\$	\$
G.	\$	\$	\$
H.	\$	\$	\$
I.	\$	\$	\$
J.	\$	\$	\$
K.	\$	\$	\$
Total Annual Cost	\$	\$	\$
Total Cost 3 years operation	\$		

These services may be implemented at the Department's discretion during the period of the contract resulting from RFP 2018-07.

Note: All annual costs should be fully itemized and include indirect costs. The proposed costs are for enhanced administrative and oversight services, provided by the F/EA, to Services Facilitators. Itemized costs should include services that exceed the minimal requirements specified in Section 4.24 Services Facilitator Outreach and Training,

Optional Services and costs are for information purposes only and will not be included in scoring of the proposals or evaluation process.

Attachment V:
COST PROPOSAL- SCHEDULE B-6

Supplementary Table 1: Staffing Cost Breakdown

Positions	Task/Function	Expected time to Complete Monthly Task Per Member (in minutes)	Montly Hour(s)	Hourly Rate	PMPM
Program Ops Team					
Program Ops Team					
Program Manager					
Payroll Associate					
IT Support					
Other Staff (add rows as necessary)					
TOTAL PMPM Hours/Cost					

Supplementary table 2: Call Center Cost Estimate

Service Type	Est # of calls PMPM	Average Min per Call	Price per Minute	Call Center Service Pricing - PMPM
IVR				
Live Representative				
Total PMPM Cost				

Attachment VI:

REFERENCE FORM

RFP 2018-07

Contract Name:	
Customer name and address:	
Customer contact and title:	
Contact Phone number:	
Scope of Services of Contract:	
Contract Type (fixed price, fee for service, capitation, etc):	
Contract Size (# of members eligible , # of members served, etc):	
Contract Period:	
Number of Contractor staff assigned to contract:	
Any legal or adverse contractual actions against the Offeror related to the project:	
Annual Value of Contract:	

ATTACHMENT VII:

PROPRIETARY/CONFIDENTIAL INFORMATION IDENTIFICATION FORM

To Be Completed By Offeror and Returned With Your Technical Proposal

Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of § 2.2-4342F of the *Code of Virginia*, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected including the section of the proposal in which it is contained and the page numbers, and states the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must include only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. In addition, a summary of such information shall be submitted on this form. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable. If, after being given reasonable time, the Offeror refuses to withdraw such a classification designation, the proposal may be scored lower or eliminated from further consideration.

Name of Firm/Offeror: _____, invokes the protections of § 2.2-4342F of the *Code of Virginia* for the following portions of my proposal submitted on _____.

Date

Signature: _____ Title: _____

DATA/MATERIAL TO BE PROTECTED	SECTION NO., & PAGE NO.	REASON WHY PROTECTION IS NECESSARY

Attachment VIII:
SMALL BUSINESS AND SUBCONTRACTING PLAN

To Be Completed By Offeror and Returned With Your Cost Proposal

Note: The text of definitions section below comes directly from APSPM Annex 7-G. This text shall not be construed to reflect independent definitions or status decisions by the Department. Reference §9.1 of the RFP

It is the goal of the Commonwealth that more than 42% of its purchases be made from small businesses. All potential bidders are required to submit a Small Business Subcontracting Plan. For evaluation purposes of this procurement, the Small Business and Subcontracting Plan should only include small businesses proposed to be used as subcontractors in performing the scope of work and paid with administrative dollars as outlined in the Offeror's Cost Details for Pricing (Attachment V), and should not include anticipated small business utilization of the Offeror's provider network. Offerors will only be scored on this submission. However, the winning Offeror is highly encouraged to ensure eligible firms in its provider network obtain DSBSD certification for small business. Additionally, the winning Offeror will be required to report small business expenditures quarterly on both the administrative component and provider network utilization to meet the requirements of Section 10.11 of this RFP.

Small Business: "Small business (including micro)" means a business which holds a certification as such by the Virginia Department of Small Business and Supplier Diversity (DSBSD) on the due date for proposals. This shall also include DSBSD-certified women- and minority-owned businesses when they also hold a DSBSD certification as a small business on the proposal due date. Currently, DSBSD offers small business certification and micro business designation to firms that qualify.

Certification applications are available through DSBSD online at www.DSBSD.virginia.gov (Customer Service).

Offeror Name: _____

Preparer Name: _____ **Date:** _____

Instructions

- A. If you are certified by the DSBSD as a micro/small business, complete only Section A of this form. This includes but is not limited to DSBSD-certified women-owned and minority-owned businesses when they have also received DSBSD small business certification.
- B. If you are not a DSBSD-certified small business, complete Section B of this form. For the offeror to receive credit for the small business subcontracting plan evaluation criteria, the offeror shall identify the portions of the contract that will be subcontracted to DSBSD-certified small business for the initial contract period in Section B.

Offerors which are small businesses themselves will receive the maximum available points for the small business participation plan evaluation criterion, and do not have any further subcontracting requirements.

Offerors which are not certified small businesses will be assigned points based on proposed expenditures with DSBSD-certified small businesses for the initial contract period in relation to the Offeror's total price for the initial contract period.

Points will be assigned based on each Offeror's proposed subcontracting expenditures with DSBSD certified small businesses for the initial contract period as indicated in Section B in relation to the Offeror's total price.

Section A

If your firm is certified by the Department of Small Business and Supplier Diversity (DSBSD), provide your certification number and the date of certification):

Certification Number: _____ Certification Date: _____

Section B

Populate the table below to show your firm's plans for utilization of DSBSD-certified small businesses in the performance of this contract for the initial contract period in relation to the bidder's total price for the initial contract period. Certified small businesses include but are not limited to DSBSD-certified women-owned and minority-owned businesses that have also received the DSBSD small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc. It is important to note that these proposed participations will be incorporated into the subsequent contract and will be a requirement of the contract. Failure to obtain the proposed participation percentages may result in breach of the contract

B. Plans for Utilization of DSBSD-Certified Small Businesses for this Procurement

Micro/Small Business Name & Address DSBSD Certificate #	Status if Micro/Small Business is also: Women (W), Minority (M)	Contact Person, Telephone & Email	Type of Goods and/or Services	Planned Involvement During Initial Period of the Contract	Planned Contract Dollars During Initial Period of the Contract (\$ or %)
Totals \$					

Attachment IX:
CERTIFICATION OF COMPLIANCE WITH PROHIBITION OF POLITICAL CONTRIBUTIONS AND GIFTS DURING THE
PROCUREMENT PROCESS

For contracts with a stated or expected value of \$5 million or more except those awarded as the result of competitive sealed bidding

I, _____, a representative of _____,

Please Print Name

Name of Bidder/Offeror

am submitting a bid/proposal to _____ in response to

Name of Agency/Institution

_____, a solicitation where stated or expected contract value is

Solicitation/Contract #

\$5 million or more which is being solicited by a method of procurement other than competitive sealed bidding as defined in § 2.2-4301 of the *Code of Virginia*.

I hereby certify the following statements to be true with respect to the provisions of §2.2-4376.1 of the *Code of Virginia*. I further state that I have the authority to make the following representation on behalf of myself and the business entity:

1. The bidder/offeror shall not knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.
2. No individual who is an officer or director of the bidder/offeror, shall knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.
3. I understand that any person who violates § 2.2-4376.1 of the *Code of Virginia* shall be subject to a civil penalty of \$500 or up to two times the amount of the contribution or gift, whichever is greater.

Signature

Title

Date

To Be Completed By Offeror and Returned With Your Technical Proposal

Attachment X
STATE CORPORATION COMMISSION FORM

Virginia State Corporation Commission (SCC) registration information. The Offeror:

is a corporation or other business entity with the following SCC identification number: _____ -
OR-

is not a corporation, limited liability company, limited partnership, registered limited liability partnership,
or business trust **-OR-**

is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary
and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting
any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia
before they become contracts, and not counting any incidental presence of the Offeror in Virginia that is
needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such
goods were sold and shipped into Virginia from Offeror's out-of-state location) **-OR-**

is an out-of-state business entity that is including with this proposal an opinion of legal counsel which
accurately and completely discloses the undersigned Offeror's current contacts with Virginia and
describes why those contacts do not constitute the transaction of business in Virginia within the meaning
of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the *Code of Virginia*.

****NOTE**** >> Check the following box if you have not completed any of the foregoing options but
currently have pending before the SCC an application for authority to transact business in the
Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC
identification number after the due date for proposals (the Commonwealth reserves the right to
determine in its sole discretion whether to allow such waiver):

To Be Completed by Offeror and Returned with Your Technical Proposal

Signature

Title

Date